Britain's Bombproof Premier page 11

Alberta Oil Seeps East page 20

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI Member of Audit Bureau of Circulations ★ PUBLICATION OFFICE: TORONTO, OCTOBER 16, 1937 ★ 10c a Copy; $5.00 a Year No. 42

The Nation's Business

The Taxpayer Is No Trinity
Newsprint Goes On Five-day Week
Conservative Party In Ontario
Labor Candidates Fail in Election
Boycotting Japan; Easier Said Than Done
Mr. King Holds Press Conference
Aberhart Insults

There Is Only One Taxpayer

MEMBERS of the Rowell Commission are very busy with the organization of their work. Public hearings begin on November 29 and will no doubt continue until February or March.

The provinces will ask for additional taxation powers. The municipalities will present their case for enlarged revenues. There will be plenty of witnesses to urge that the Dominion's taxing powers be not reduced.

We trust, though, that the Commission will not be led to believe that there are three sets of taxpayers in Canada—Dominion taxpayers, provincial taxpayers and municipal taxpayers.

* * *

THERE is only one class of taxpayer in Canada and he pays toll to all three governments. He does not care very much whether it is this government or that government that takes his money. His concern is with the total amount he is required to pay.

In dividing up tax revenues between the different classes of government, the taxpayer hopes that the Commission will be able to outline the constitutional reorganization that will reduce the demands of all three tax-collectors to the minimum total sum.

The Dominion taxpayer, the provincial taxpayer and the municipal taxpayer comprise a single person; one and indivisible. It is only his income that can be divided up and he would like to have a little more of that to spend himself.

* * *

Overproduction In Newsprint?

THE rapid comeback of the newsprint industry in the past two years has been an outstanding feature of the recovery period. Production has reached an all-time high. Demand has improved and prospects for adequate earnings, which the industry has looked forward to for the seven years, appear promising.

Now the industry is confronted with a serious problem. Overproduction is a possibility. Unless this condition is corrected without delay, the return of prosperous times may be deferred indefinitely. It appears that the lessons of recent years have been learned, for Canadian International Paper has taken steps to remedy the situation by curtailing production. Other manufacturers are expected to decide to do likewise. While such a policy is disruptive temporarily, it cannot be otherwise than good for the industry over the long term. The ability of the individual operator to see this is encouraging. It leads to the belief that for the future sane policies will govern the industry in meeting common problems. This is in contrast to the haphazard and ill-defined policies of the past which brought about the downfall of the industry and heavy losses to investors in this and other countries.

* * *

Future of Ontario Conservative Party

THE defeat of the Conservative party in the Ontario provincial elections was expected. Mr. Hepburn has been a dramatic performer in the field of government and he has espoused a number of popular policies, including many very sound policies, that were sufficient to offset the unfavorable impression created by some of his impetuously made mistakes.

Against such a stellar bill, the Conservatives were able to present as a counter-attraction a group of candidates and leaders who are only now being knit together as a compact group with well-defined policies. It would have been a miracle if a party that is passing through a transition stage, moving from its former and older leadership toward the control of more youthful and aggressive elements, had won the election. And it might not have been in the interests of the party if it had. Defeat will quicken the demand for a new alignment of objectives under new leaders.

* * *

IN THE Conservative party in Ontario are many of the most brilliant young men in the province; men whose social outlook is that of the new day, whose political ideals are worthily Canadian in every respect. Some of these men were elected last week; others unhappily went down to defeat. In either case their careers of service and usefulness to the State still lie ahead of them.

The hope of the party must be centred in these younger men. They will need the counsel and guidance of more experienced political tacticians, but it will be their privi-

(Continued on page 2, col. 3)

Vote in Ontario Fails to Deter C. I. O. Chiefs

Despite Disappointment, Will Continue Organizing Efforts

LEADERS CONFER

By K. R. WILSON
Staff Writer, The Financial Post

ATLANTIC CITY.—Re-election of Premier Hepburn in Ontario will bring no halt in C.I.O. operations in that province, according to C.I.O. leaders here.

No matter how strongly public opinion may have spoken its disapproval of C.I.O. tactics, the leaders of the Lewis organization intend to continue their battle for domination of Ontario industrial labor.

All this week executive officers of the 32 unions which comprise the Committee for Industrial Organization are meeting in closed session at this famous sea-coast resort to formulate plans for the coming months. They are meeting in the same room which gave birth to the C.I.O. exactly two years ago.

A typical informal comment on the Ontario situation was the following:

"While we were very disappointed to see Mr. Hepburn's large majority you may be sure it will in no way deter our organization. As a matter of fact we are planning to set up headquarters in Toronto—as near the Parliament Buildings as possible. Now your election is out of the way we will work actively though quietly as in the past."

At the same time, members of the small group which really controls the C.I.O. are reportedly determined to keep Canadian problems on the shelf during the conference, or at least confined to informal discussion among delegates particularly concerned with C.I.O. units in the Dominion. The high command of the C.I.O. is said to be anxious to avoid the publicity and possible provocation of further trouble with Premier Hepburn which might result from inclusion of Canadian matters on the agenda and their more or less formal discussion at the conference.

Claim 40,000 in Ontario

No exact figures are available as to the claimed strength of branches of C.I.O. unions in Canada at the present time, but total membership in Ontario is placed at 40,000. More detached estimates in Canada put the total at 20,000. This includes the workers at Oshawa who, it is claimed, number 4,200, according to current membership figures.

Incidentally Hugh Thompson, British-born organizer who led the strike at Oshawa last spring has been invited to address a meeting in that city on Oct. 20. Mr. Thompson is now regional director of C.I.O. at Buffalo. His territory includes all of Ontario as well as the western part of New York State. There is only one C.I.O. regional director in Canada at present. He is stationed at Calgary and has jurisdiction over the western provinces.

Agents Cross Border

It is learned here that C.I.O. agents and representatives of affiliated unions are crossing the Canadian border regularly under the free access extended to accredited representatives of trades union bodies, as long as their papers are in order. Some have been turned back when their status appeared doubtful or their documents were not approved.

Of interest to Canada is renewal of the General Motors agreement which expired officially in mid-August. This is still under discussion at Detroit. There will be a separate renewal negotiated of the agreement covering G. M. plants in Ontario, which has also expired.

Another important result of this Atlantic City conference is that two new national or international unions

(Continued on page 2, col. 1)

Farm Implement Prices to Rise

Canadian farm implement firms are expected to announce increases in prices soon, The Financial Post understands, due to advances in costs of materials and labor.

Canadian implement makers have deferred increases this year although leading American firms raised prices last spring by 7% to 10%. In postponing price increases, Canadian firms have absorbed higher costs, which were moderated somewhat by inventories of materials on hand at the start of the year. The full brunt of the rise in quotations for iron and steel is now being felt.

Among principal materials used by implement manufacturers are pig iron, steel sheets, and cold-drawn and hot-rolled steel bars. Present prices for such materials are 23% to 34% above the levels of 1936.

With prospects of higher implement prices, the investor is interested in the relation to farm purchasing power and effects on sales. Canadian index numbers show an increase from 48.4 in 1932 to 84.9 last August in prices of farm products. While crop yields, particularly in the West, have been irregular, calculations of gross farm income show substantial increases in the past two years.

In comparison with the advances of farm products, leading implement makers have been selling their lines at prices only 3% above the 1932 lows and well below the levels of 1929.

Atticus Comes to Canada

It is with no little pride that The Financial Post begins this week, as a regular feature, publication of the most famous of British newspaper "columns," that of "Atticus" now appearing in the Sunday Times, of London.

The column, which appears in England under the title of "Men, Women and Memories," will appear in The Financial Post under the title "London Calling."

The feature will be exclusive to this newspaper in Canada.

"Who is Atticus?" That is a question that is always good for an argument in London. He has carefully preserved the anonymity that enables him to write with candor of men and women and public affairs in the Old Country. But it can be revealed that he is one of the best informed men in all England, distinguished for his contributions both to the field of literature and in the realm of political affairs.

The original "Atticus" was T. P. O'Connor, famous Irish publicist. On his death the column was continued by Margot Asquith, who was succeeded by John Buchan, now Lord Tweedsmuir and Governor-General of Canada. When His Excellency came to this country, another writer, no less well known, took over the rôle of "Atticus" and it is he who will write this column for The Financial Post and The Sunday Times.

London Calling—Page 3.

'Gray Unity' is Slogan Of Alberta Opposition

Triumphal By-election Points to 60,000 Social Credit Backsliders

From Our Own Correspondent

EDMONTON.—To those who believe that circumstances call forth the man, consider the case of E. Leslie Gray of Alberta, on whom destiny seems now to have thrust firmly the task of leading the foothills province out of the Social Credit morass. "Gray Unity" has become the battle cry of anti-Aberhart forces.

Unity, there can be no doubt, has become a reality in Alberta. One needs to refer only to the Edmonton by-election of Oct. 7, when Mr. Gray, alone among five candidates to take an unequivocal stand against the Aberhart Government, received nearly 18,000 votes, the biggest number ever accorded a single candidate in an election in Edmonton.

E. LESLIE GRAY

Look at the man. Leslie Gray put a highly successful career aside in entering public life. He is nearly six feet tall. He wears neat business clothes. He talks easily, with quiet force. He has none of the flamboyance of a Mitchell Hepburn, nor the circus politics of a demagogue. He has a strong voice, for platform or radio, and a ready grasp of ideas and words. His speaking gestures are quiet, and he relies on persuasion rather than bombast.

Gray's square jaw suggests stubbornness, and one surmises that a great deal of thoughtful care goes into his language and his actions. He will need to be sure of himself along the road to which he has set himself. In a recent speech, he said:

(Continued on page 2, col. 6)

Revenues Up For Dominion

Balanced Budget in Current Year Is Not Assured

From Our Own Correspondent

MONTREAL.—For the first half of the current fiscal year the Dominion Government reports a budget improvement of $49.6 millions, revenue being up $47.4 millions and expenditures down $2.2 millions.

Although the budget estimate of an increase of $42 millions in revenue during the year has already been exceeded, a balanced budget is not yet assured

There are several factors which may affect adversely Mr. Dunning's estimate of expenditures. The C.N.R. cash deficit for the year was estimated at $35 millions, compared with $47 millions last year. Indications are, however, that despite the improvement recorded in net earnings during the first eight months of 1937, it will be at least as high as last year. In fact, during the six months ended Sept. 30, the Government provided $29.3 millions for C.N.R. deficit, as against $28.5 millions in the corresponding period of last year.

It is also expected that the Government will have difficulty in keeping its relief expenditures within the estimate of $59 millions, due to the crop failure in western Canada.

It can hardly be expected that receipts will continue to show as great an increase as in the first six months of the year. If there is business recession this fall or winter receipts would be affected. Then, again, income tax receipts, which have shown an increase of $15 millions to date, are largely concentrated in the first six months of the year.

September receipts indicate a slowing down of the rate of increase. Revenue for the month totalled $37 millions, an increase of $4.8 millions.

(Continued on page 4, col. 7)

Ottawa Keeps Neutral Stand Toward Japs

Boycott Proposal Ignored, Embargo Plan is Unlikely

FEARS BOOMERANG

From Our Own Correspondent

OTTAWA.—With the Mackenzie King ministry maintaining an adamant neutrality despite growing pressure from both within and without the Dominion, it is becoming increasingly apparent that Canada is not to be committed to participation in any international theatrical gesture against Japan.

For, as Federal circles see the situation—viewing it in the light of realism rather than of sentiment—that is all that a boycott of Japanese goods would be.

So far as Canada is concerned, any such move would exert a very minor effect upon Japan's output of toys, cheap incandescent lamps and cheap silk and cotton textiles. At the same time, it would not affect in the slightest Japan's present military operations in China.

On the other hand, a Japanese reprisal would mean loss of a Canadian trade in wheat, flour, lumber, newsprint and other peaceful exports which totals well in excess of $10 millions.

Embargo More Effective

As distinguished from a mere boycott of Japanese imports, an embargo upon exports of raw materials to Japan, which also is receiving important sponsorship in Government circles these days, would at least be a more logical measure. It would close to Japan an important source for her supplies of nickel, aluminum, lead, zinc and scrap iron. Conceivably it would make it more difficult for her to maintain her present scale of war operations against China.

But an embargo, if not an act of war, is the next step to it. And the Federal Government is not leading Canada into a war over China, no matter how justified it may consider moral indignation against the course which Japan has followed.

The course which Canada can be depended to pursue in the crisis of world sentimentality is to be inferred not from any statement that the Federal Government has made in recent days, but rather from its eloquent silence in the face of:

(1) The Chicago speech of President Franklin D. Roosevelt and the subsequent action of the United

(Continued on page 2, col. 4)

Feeding The Multitude

The Financial Post, next week, presents its annual survey of the Canadian food products industry. For the investor the review of the 50 odd companies manufacturing and merchandising the nation's needs from bread to chocolate bars shows a fairly promising picture. In most cases some gain has been shown during the year and, particularly in the case of chain store companies' expansion of sales facilities has been the watchword of the past 12 months.

Paper Mills Applying Brakes Overproduction Danger Seen

Canadian International Closes all Mills For Day — Other Operators Expected To Adopt 5-day Week Until Supply Reduced

DIRECTOR

J. D. Johnson, president and managing director of Canada Cement Co., who has been elected a director of the Montreal Trust Co.

From Our Own Correspondent

MONTREAL.—Canadian International Paper Co. closed down its newsprint mills at Three Rivers, Gatineau, Dalhousie and Cornerbrook, on October 11. Operations were suspended only for the day.

Falling on a holiday week-end, this move by International had no particular significance outwardly, but enquiries by The Financial Post bring out the fact that for the time being International is likely to follow a five-day working week instead of the six-day week in force more than a year.

Further, it is believed that other manufacturers in this country will decide to adopt the same policy and that before the end of this month, the whole Canadian industry will be operating on a five-day week.

Step Taken to Avoid Overproduction

The reason for this step is that the industry faces an overexpansion of production which, at this time, would be highly detrimental to the larger plans of putting operations on a more profitable basis.

The possibility of overproduction will come as a surprise to investors and others, for the available statistics did not disclose the vital fact that Canadian manufacturers have large stocks of paper in United States warehouses and the supply of newsprint paper on this continent is considerably larger than had been known. A curtailment of production at this time is essential in order to preserve a more serious situation later on.

A Radical Departure

A slowing down of operations represents a radical departure from the policy followed to date. Hitherto the mills have been operating at capacity in order to meet the demand for newsprint paper from United States publishers. Production and consumption figures have been at a record level for months past and all indices have been highly favorable as regards the outlook for the industry.

It can be stated now with some degree of certainty that production of newsprint in Canada during the last quarter of 1937 will fall below that for the corresponding period of 1936.

What will happen in the first quarter of 1938 remains to be seen, but here again indications are that output is likely to be on a restricted basis.

Naturally it cannot be said at this time to what extent operations will be curtailed, but a resumption of record production figures is unlikely until stocks of newsprint paper are reduced to normal proportions.

Rising Stocks Watched

Last spring the visible supplies of newsprint—those in the hands of the publishers and at the mills in Canada and the United States—began to rise. The importance of these stocks was commented upon by The Financial Post from time to time.

The rise in stocks did not cause any misgivings for three reasons:

1. Shipments are unusually heavy during the open season of navigation;

2. American publishers were placing their orders for early delivery to avoid a possible shortage in the winter months when consumption is high; and

3. To stock up with paper before the announced price advance of $7.50 a ton went into effect in the beginning of 1938.

All the "known" factors bearing upon the newsprint industry and its outlook have been favorable. While the "visible" stocks were exceptionally high, there was no apparent cause for uneasiness. The worst that was expected was that when these surplus stocks were drawn upon, there would be a drop in production figures.

Observers of the newsprint industry have felt that available statistics on the industry did not tell the whole story. Figures on production, shipments, consumption, and stocks on hand—both publishers' and mill—did not "jibe."

A detailed examination of all available material on production and distribution has brought to light a hitherto unsuspected situation, which not only explains why Canadian International Paper closed down its plant last Monday, but why some Canadian operators are likely to decide on a five-day working week for the time being.

Figures on Supply Misleading

When newsprint leaves a Canadian mill it is recorded as a shipment, either overseas, to Canadian publishers, or to American publishers. What the figures did not say, or indicate, was that all shipments are not necessarily covered by the consumption figures and reported stocks on hand.

Put in another way, the stocks of newsprint paper on hand with American publishers, or in transit to them, as well as those reported by the Canadian and American mills, do not represent the available supply of newsprint paper.

Both Canadian and American manufacturers maintain stocks of newsprint in American warehouses. These stocks are built up during the navigation season and are drawn upon by the manufacturers to meet demand during the period of heavy consumption.

This fact, of great importance to investors and others who follow the industry's fortunes, is not disclosed by the available statistics; the manufacturers warehouse stocks being buried in "shipments."

At the end of last August publishers in the United States reported stocks of 435,820 tons—the highest ever reported. Mill stocks in Canada and the United States at the same

(Continued on page 4, col. 5)

Alberta Chief Clings to Office

Aberhart Ignores Demand For Resignation After Bowen Action

From Our Own Correspondent

EDMONTON.—Alberta voters are looking at the situation surrounding the Aberhart Government with the expectation that before long they will be marking ballots in a general election.

When Lieutenant-Governor J. C. Bowen exercised the rarely-used powers of a lieutenant-governor to reserve royal assent on three Social Credit bills, the situation was construed as calling for the resignation of the Government. The Government, however, has apparently decided to stay in office, avoiding an appeal to the people, while continuing the search for means to carry out its programme. Should the decision of the Governor-General on the three bills be to disallow them, Premier Aberhart indicated to a meeting at Milk River, Alta., that an election might follow.

The position of the Government for the present hinges on two matters, the reservation placed by the Lieutenant-Governor on three bills involving the main features of the Social Credit programme, one which raises the expectation that they will be disallowed in due course; and the trouble in which George F. Powell, the master mind adviser to the Government, has become involved, through the charges against him of counselling to murder, and seditious libel.

Another development is expected in connection with the Lunney report on the highways investigations, in which costs and management of several 1936 road projects were reviewed.

Inventories Hit By Cotton Drop

Canadian Primary Cotton Firms Affected by Low Prices

From Our Own Correspondent

MONTREAL.—Finance and operation of the primary cotton textile manufacturers in this country are likely to be affected by the sharp drop in raw cotton prices.

With a near record crop of 17½ million bales in the United States, the price of raw cotton has dropped from a high of 14.55 cents a pound last March to a current level of just over 8 cents a pound.

Normally Canadian manufacturers have to carry a large inventory of raw cotton to meet their needs. The drop in price has brought about a shrinkage in the value of raw cotton inventories, while the processed goods also are affected.

Carry Large Inventories

There is no way of determining at this time what adjustments will have to be made by the manufacturers; in the normal course of events, no action will be taken until the year-end. However, the importance of the drop in raw cotton values may be gathered in part by a study of the inventories carried by the primary producers at the end of their last fiscal year.

Value of Inventory at Year End

	$
Cosmos Imperial	489,613
Hamilton Cotton	466,550
Dominion Textile (raw cotton)	1,755,450
Dominion Textile processed)	2,849,433
Canadian Cottons	1,695,008
Montreal Cottons (raw cotton)	555,028
Montreal Cottons (processed)	1,101,441

Figures Need Studying

These figures, taken at their face value are apt to be misleading. The values shown were taken at the end of last year or on March 31, depending upon the year-end of the individual company. In the interval the greater proportion of these stocks have been liquidated and replaced with others, so that the inventory values quoted do not give any inkling of what loss, if any, has been taken by the manufacturers on their raw material or finished goods. On the other hand, the inventories do give an idea of the size of stocks carried by the principal primary cotton operators.

The drop in raw cotton price has had a more unsettling effect on sales. Buyers have been inclined to hold off waiting for some settlement in the market. There is a noticeable hesitancy in buying ahead or any lengthy period, for fear of being caught with high-priced goods.

Primary cotton manufacturers report that orders are coming in fairly well. Business received during August and September was abnormally low, due to strikes and other conditions which unsettled the Canadian market. Since then there has been an improvement in new business.

Highlights

Programme for Hepburn
The Financial Post suggests a six-point programme which it believes can and should be followed. Page 11

Beauty Pays Dividends
At Canada's most popular tourist entrance, the Oakes Garden Theatre greets the in-coming visitor. Page 10

Canada's Trade Scouts
Department of Trade and Commerce reveals secrets of the work done by Canadian trade commissioners in other countries. Page 12

REGULAR FEATURES
Banking 17
Bond Markets 5
Construction 8
Editorial 6
Investors' Enquiries 9
Insurance 16
Investors' Index 2
Investment Trends 4

A Job to be Done

An Editorial

There is a big job of work to be done in Canada. It is the job of rebuilding men.

In the past six years, governments in Canada have spent nearly $800 millions to put men to work or keep them and their families fed, housed and clothed. We are still spending $2.5 millions every week for the purpose.

Out of every dollar, about 60 cents has gone for direct relief. About 35 cents has been spent for public works projects. The remainder has gone for agricultural aid and relief.

Most of this money has been spent on an emergency basis. It has been poured out lavishly to fill the gap which yawned when the depression years split $7 billions off "normal" national income.

But business is now back to a better-than-normal tempo. Our index of industrial employment is 23 per cent above the "normal" year of 1926. A recent estimate of the number of wage-earners employed in Canada, shows the total to be virtually that of the peak year 1929. The number of men and women employed in the consumer or non-durable goods industries is actually greater than in 1929. Even remembering that the wage-earning population of the country has increased meanwhile, there is still ample evidence that industry's rôle in the re-employment drama has been excellently played.

One thing is lacking.

There are still 180,000 wage-earners on relief in Canada. These are not "dependents" nor drought area victims. They are men and women of employable age—about 80 per cent of whom are definitely employable. Most of them, by reason of long unemployment, lack of skill, or lack of opportunity in the trade they formerly followed, are unfitted for steady employment.

Vital and Urgent

The big job to be done, therefore, is to increase the employability of these men and women by improving their skill, physique and morale. Specific plans along these lines were submitted to the Federal Government at Ottawa six months ago. No action has yet been taken except to initiate a partial scheme for unemployed youth (that is, those up to 30 years of age).

Two things are necessary if such a plan is to be vigorously and successfully carried out.

1. Behind the plan there should be an adequate employment service administration. Existing provincial employment services are admittedly incapable of handling this problem—are inadequate for a concerted attack on re-employment in Canada. A Federal nucleus, supported by active community and provincial leadership, is therefore an essential backbone for such a plan.

2. To ensure success, the plan must have the wholehearted co-operation of industry, of Government bodies and of the community generally. For the problem, though demanding leadership on a national scale, must be flexible enough to meet local needs along a 3,000-mile front.

Economy Move

The plan is a definite economy move. It means the expenditure of a certain amount of money (perhaps $5 to $8 millions more than is now being spent on youth training plans) in order to save a much larger sum. In the past fiscal year about $40 millions was spent as a relief appropriation on various public works projects in Canada. This money was to rebuild bridges, roads, railways and the capital equipment of the country. Hardly a dollar was spent to rebuild men.

It is the considered opinion of those who have studied this problem that if a few million dollars were diverted toward rehabilitation of Canada's unemployed men, the outlay could be saved within a year by removing these men permanently from relief rolls or from dependency on public works. Furthermore, a fundamental principle is at stake, in that at present, tens of millions of dollars are being distributed in the form of indiscriminate grants from Ottawa for direct relief with little or no control as to how this money is being spent. If an appropriation were made (jointly by Ottawa and the provinces) to initiate an adequate rehabilitation programme, it would be allotted for this specific purpose and would thus pave the way for gradual elimination of the present admittedly vicious system of uncontrolled expenditures.

One more point. No accurate estimate has been made in this country of the out-of-pocket cost of a public works programme. Experience suggests an average outlay of between $8 and $9 per day per man of which the amount paid in wages is approximately one third. Against this figure is the striking fact that a sound, successful plan for rebuilding men could be financed at about one quarter or one fifth of the "per man" cost of a public works programme.

The Financial Post believes such a programme is not only common sense but is essentially good business. It is also backed by sound fiscal arguments. It should prove an undoubted social asset to any community, industrial or Governmental group which has the courage and foresight to sponsor and support it.

MEN'S SHOP

HAVE YOUR SHIRTS and PYJAMAS Made-To-Measure
From our new imported fabrics

Men who know the pleasure of wearing shirts and pyjamas made to their individual measure from personally selected fabrics, will find our Fall and Winter Range of imported English broadcloths, Oxford cloths, Viyella flannels, and French zephyrs, offer an exceptionally fine choice of patterns and colour blendings selected with an eye to pleasing even the most exacting tastes.

Shirts from 5.50 up
Separate collars to match.
Made any style 50 cents each extra.
Pyjamas from 10.00 pair up
PHONE AD. 5011
Free Parking While Shopping
BAY STREET SECTION

EATON'S-COLLEGE STREET

Vote in Ontario Fails To Deter C.I.O. Chiefs Will Continue Work

(Continued from page 1)

are expected to be given charters. One will have jurisdiction over all meat-packing employees, among whom it is claimed that C.I.O. has already established 49 locals with a membership of more than 25,000. The other is in the furniture industry, where the C.I.O. claims 33 locals already established.

As soon as international charters have been taken out it is stated that a membership drive will be inaugurated in both fields and that Canada will be included as well as the United States. Particular stress is laid on meat packing as far as Canada is concerned in view of the international aspect of the business carried on by such concerns as Swift's.

Continued War Expected

Few if any of those at the conference here were particularly surprised when William Green, American Federation of Labor head, angrily rejected the C.I.O. proposal this week for ending the split between the two bodies. With the benign approval of John L. Lewis, C.I.O. chieftain, the conference suggested that 100 C.I.O. spokesmen confer with 100 from the A. F. of L. in an effort to "unify the labor movement" in the United States.

His hand strengthened by the action of the A. F. of L. convention in Denver in finally expelling the ten suspended A. F. of L. unions which originally formed the C.I.O., Mr. Green branded the C.I.O. peace proposal as "smacking of insincerity and lacking good faith." C.I.O. leaders here believe there will be no hope of ending the war between the two bodies, much less a fusion into a single body, until Mr. Green is replaced by a more conciliatory head of the A. F. of L.

Inspired From Canada

The offer of the C.I.O. to discuss a reunion of the two federations was at least partly in response to the effort of the Trades and Labor Congress of Canada and President P. M. Draper to smooth out the difficulties between the warring groups. It is unlikely, however, that any further discussion or action will arise out of Paddy Draper's recent messages authorized by the Congress, urging the A. F. of L. and C.I.O. to get together and offering the good offices of the Congress as peacemaker.

The "olive branch resolution" of the C.I.O. was mainly, however, a formal move to record again the C.I.O.'s willingness to join forces with the A. F. of L. if the latter would reconsider its adamant opposition to the type of industrial unionism by which the C.I.O. has gained such formidable strength in so short a time. This opposition, emanating from old line craft unions enraged at industrial union enrolment of craftsmen regarded as under craft union jurisdiction is the crux of the enmity between the two bodies.

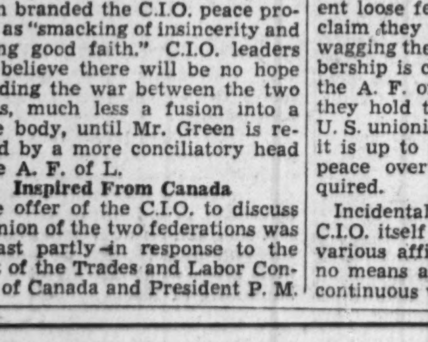
Stabilization Sought

The chief purpose of the present conference here is one of stabilization of the sprawling empire of the C.I.O. and its affiliates, for the most part organized intensively, hastily and consequently on a provisional basis unsuitable for permanent operation. It is a sign that the C.I.O has no real intention of a rapprochement with the A. F. of L., is going ahead with organization on a permanent basis; and, at the same time, wants to build a respectable, cohesive front to counter the hostility and suspicion it has been meeting in increasing volume.

The C.I.O. is proceeding with plans for a permanent central organization to supersede or "formalize" the present loose federation. C.I.O. leaders claim they are now the tail that is wagging the dog and that their membership is considerably in excess of the A. F. of L. total. They believe they hold the whip hand as far as U. S. unionism is concerned and that it is up to the A. F. of L. to make peace overtures that may be required.

Incidentally the membership of the C.I.O. itself — that is the leaders of various affiliated unions — are by no means agreed on the wisdom of continuous warfare with A. F. of L.

BRANCHES N 29 FOREIGN COUNTRIES



Suppose you do business with
SOUTH AMERICA?

You may be concerned about market opportunities.
The Royal Bank of Canada through its branches in South America can furnish accurate and reliable information readily.
You may wish to investigate the credit standing of potential customers. Our managers in most of the principal centres of South America can obtain such information for you.
You may be seeking a reliable agent or other trade connection. Our South American offices can often make suitable contacts for you.

Not only in South America, but in Central America, Cuba, the British and French West Indies our resident managers are daily performing such essential services for Canadian business houses. Your enquiries are invited.

THE ROYAL BANK OF CANADA

OVER 600 BRANCHES IN ALL PARTS OF CANADA

The Nation's Business

(Continued from page 1)

lege to choose between the advisers available. They will probably decide to divorce themselves from some of the presently influential "friends" of the party, men who have led it badly and guided it selfishly.

During the past year, the party has been too much subject to the manipulation of men who can do it no permanent good. The younger group of Conservatives can be trusted to reform this situation.

In another three to five years many things may happen to the Conservative party. Familiar figures will pass from the scene and new forces will emerge.

* * *

Ontario Ignores Labor Candidates

ONE important aspect of the Ontario election was the relatively small number of votes obtained by labor candidates or by "third party" aspirants such as the C.C.F.

Reputedly one of the major issues in the campaign was the C.I.O., and papers such as the Communistic Daily Clarion did their utmost to arouse support and enthusiasm for candidates who carried a labor label. Many of these so-called "Labor-Progressive" and "Labor-Farmer" candidates were nothing more than Communist candidates masquerading under fancy names. There was only one straight Communist candidate in the campaign.

But workingmen paid very little attention to their so-called champions. They voted for men whom they felt they could trust, and to the extent that the labor question can be said to have influenced the voting they sided, for the most part, with Mr. Hepburn and his anti-C.I.O. policy rather than with Mr. Rowe.

* * *

Japanese Boycott Not Easily Solved

RESOLUTIONS by labor groups and other representative bodies indicate a growing feeling among Anglo-Saxon peoples that some form of private or public boycott should be placed against Japanese merchandise because of the rôle that country is playing in Far East hostilities.

That official action to invoke economic sanctions will be taken by Canada or any other important world power at this time is highly unlikely.

Not much more than a year ago The League of Nations communicated with its members regarding the attitude of individual countries on certain league principles, one of which was economic sanctions. Only a handful of nations replied to the request and hardly any country gave firm and clear evidence that it was prepared to support unconditionally a trade embargo against an aggressor nation. About the only country to come out flat-footed in favor of economic sanctions was New Zealand.

Most of the nations which did put themselves on record indicated the time was not ripe to adopt this form of penalty, despite the fact that all members of the league are nominally committed to the principle as signatories to the original covenant.

* * *

THERE are doubtless millions of people on this continent and in other English-speaking countries who are prepared to register their individual protest against Japan's invasion of China by refraining from the purchase of anything they know to be Japanese. That many will do so is highly probable.

As far as Canada is concerned it must be remembered that the goods we buy from Japan are but a small part of the total volume of raw materials and finished products we export to that country. Our purchases from Japan last year (exclusive of Japanese goods entering via U.K. or U.S.A.) totalled only $5 millions; our sales $22 millions. Of this latter total, about half are reputed to be items which might be designated as war purchases.

* * *

Mr. King Becomes Communicative

THE other day—it happened to be the eve of the Ontario general election—Prime Minister King received the newspaper correspondents. Some illuminating information was disclosed. Mr. King stated that he was desirous of seeing Premier Hepburn returned to power in Ontario. He denied that French-Catholic influence had been a factor in Canada's vote at Geneva to refuse the Spanish Loyalist Government a seat on the League Council.

Finally, the Prime Minister talked of the Alberta situation and threw some important light on the course which the lieutenant-governor was following there in reserving his assent to certain Social Credit legislation. Mr. King explained the responsibility which rested upon a lieutenant-governor as the deputy of the governor-general within a province.

The whole interview made an interesting budget of news. But such conferences should be of more frequent occurrence. It is good for the public to know what is in the minds of the statesmen who are charged at the moment with the responsibility for the nation's welfare. Only thus can misconceptions, misunderstandings and misrepresentations be cleared away—such misrepresentations as, for instance, the Conservative-sponsored rumor that Mr. King desired to see Mr. Hepburn humiliated rather than victorious, or the report that French-Catholic influence had been responsible for Canada's vote at Geneva. It is good for the public to have these misrepresentations corrected since Democracy, if it is to be successful, must form its opinions on the basis of facts.

Since Mr. King took office for his present term, interviews of this character have been rare. Conceivably, the explanation lies in the fact that the Prime Minister during the past two years has been an excessively busy man. He may only now be finding the time which must be spared if regular, systematic contact between the Government and the press is to be maintained. If the conference was the forerunner of others of similar nature, we commend the Prime Minister most heartily. Such press conferences should be made a regular feature of Parliament Hill routine.

* * *

Aberhart Insults Alberta's Intelligence

WHAT underlying affection the people of Alberta have for the constitution under which they live will shortly be disclosed by reactions in that province. Events may well disclose a greater depth of feeling than has been counted on by those whose mad attempt to impose a dictatorship is now reaching its climax.

Recently President Roosevelt found the U.S. Constitution a barrier to his plans. He accordingly sought changes in the make-up of the Supreme Court as might result in an interpretation of the Constitution which would allow his plans to take their course. In spite of popularity and prestige, he was defeated ignominiously. That defeat arose from the instinctive feeling of the people of the United States that their Constitution is something to be cherished and defended. For it they have an admiration, a reverence and an affection which is difficult for people in other countries to understand. There are corresponding feelings among British peoples for the institutions of constitutional monarchy—no doubt equally incomprehensible to the people of the United States.

* * *

IN ALBERTA, quite literally speaking, the people have stood a lot of nonsense from Premier Aberhart, and unless recent reports are in error, a large number of them were prepared to stand a lot of additional nonsense. But standing nonsense is one thing, and tolerating attacks on fundamental constitutional principles is another. When the right of access to the courts are threatened, when free speech and a free press are imperilled, when the Canadian citizenship of Albertans is threatened by measures which, if carried to a conclusion, could only mean the disruption of the Dominion, Mr. Aberhart has done something more than talk nonsense. Earlier he was merely insulting the intelligence of his fellow Albertans, a procedure that is not too dangerous anywhere. Now he has ventured to insult their feelings, and their deepest feelings of nationhood and civic rights.

It is inconceivable that the people of Alberta will forgive those insults. Mr. Aberhart nears his end.

Ottawa to Maintain Strictly Neutral Stand On Sino-Jap War

(Continued from page 1)

States Department of State formally branding Japan an aggressor nation under the Nine Power Pact.

(2) An appeal from the Dominion Trades and Labor Congress for a Japanese boycott.

(3) A strongly worded communication from the C.C.F. National Executive urging a boycott.

Added to these several incidents is the fact that Prime Minister Neville Chamberlain of Great Britain, in his key speech on Far-Eastern policy to the Scarborough Conservatives, intimated Britain's unqualified endorsation of President Roosevelt's declaration.

In spite of all these encouragements and pressure to join the anti-Japanese bandwagon, Canada has not yet climbed aboard. Nor is there any indication that she intends to do so.

The clue to the attitude of the Federal Government is to be found, unquestionably, in the loss of faith which Prime Minister Mackenzie King has admitted in recent months in collective security to maintain or achieve world peace. He is convinced that the League of Nations can no longer be depended upon as an effective instrument for world peace, but should be retained simply as a valuable medium of international intercourse, mediation and conciliation.

Effect on Trade

What would be the effect of a Canadian boycott against Japanese goods? The following are the principal Japanese imports for the year ending March 31 last

Toys and dolls	256,000
Chinaware	419,000
Oranges	250,000
Rice	249,000
Tea	292,000
Canned fish	190,000
Canned vegetables	104,000
Cotton products	200,000
Silk and artificial silk products	664,000

The following figures of Canadian exports of foodstuffs and raw materials to Japan, with the 1936 figures in brackets show the increased consumption since Japan's recent militaristic policy was adopted, indicate the pressure which might be applied by way of embargo:

	$	$
Wheat	4,844,000	2,903,000
Flour	1,101,000	664,000
Logs	783,000	290,000
Planks & boards	235,000	121,000
Other lumber	434,000	191,000
Paper	2,415,000	2,496,000
Wood pulp	1,282,000	1,098,000
Scrap iron	673,000	324,000
Aluminum	1,947,000	1,967,000
Lead	3,976,000	2,149,000
Nickel	2,008,000	631,000
Zinc	1,055,000	713,000
Asbestos	884,000	704,000

Importer Would Suffer

Canadian importers, not Japanese producers, would be the chief losers from an unofficial boycott against goods made in Japan. Leading merchandisers inform The Financial Post that orders for such goods are necessarily booked months ahead, that supplies for the important Christmas season are already in Canadian stores.

The bulk of these goods are handled largely by the variety chain stores. Department stores do handle a small amount and also sell some Japanese silk and cotton goods, but relatively the trade to them is of very minor importance. Trade in teas, canned fish and vegetables, of Japanese origin, is likewise of little importance to Canadian grocery stores.

Officials of the variety chains most interested claim that no indications of any boycott are yet apparent, except perhaps for some insignificant developments in British Columbia. Barring fresh and large scale bombing episodes in the current war in China, Canadian merchants expect no effective hostile opposition here. They believe, moreover, that the Japanese Government is now alive to possible trade dangers involved and has deliberately curtailed activities that might lead to buying repercussions abroad.

Seek to Abolish Pension Abuses

Dominion to Confer With Provinces Regarding Situation

From Our Own Correspondent

OTTAWA.—The intention of the Federal Government to attack abuses in connection with old age pensions is foreshadowed in the announcement that Hon. Charles Dunning, Minister of Finance, has summoned a Dominion-Provincial conference to meet here on Nov. 22 to discuss the situation.

At present old age pensions are costing the Federal Exchequer more than $30 millions which represents the Dominion's contribution of 75% of the cost. The administration, however, is altogether in the hands of the provinces, due to the fact that the constitutional responsibility is theirs under the British North America Act.

The ideal system, it is felt, would be for the Federal authority to assume the entire responsibility for old age pensions and to take over the administration. Such a step would require a constitutional amendment. It is likely that in advance of the report of the Rowell Commission next month's conference will simply try to reach a greater measure of uniformity among the provinces in the administration of the legislation, and a general tightening of the regulations which will remedy existing abuses.

Govt. Sponsors Conference On Turner Valley Situation

From Our Own Correspondent

MONTREAL.—Sponsored by the Dominion Government, a conference is to be held to study means of assisting the oil producers of the Turner Valley to gain a larger proportion of the market for oil and gasoline in western Canada.

The conference arises out of the request of Turner Valley oil operators to the Dominion Government for assistance in the development of that field. Not only have the large oil companies and independent operators in the Turner Valley been asked to send representatives, but representatives of the Canadian National and Canadian Pacific Railways have also been invited. No date for the conference has been set as yet.

No Pipelines Wanted

The conference arises not only out of the desire of the Dominion Government to assist the development of the Turner Valley, but also to forestall possible proposals for the construction of pipe lines. The Government feels that the Turner Valley production can be easily handled by the railways at a reasonable rate.

Co-operation Needed

It is generally conceded that while low freight rates will assist, the major problem is to stop the inflow of oil from the Montana field. This can only be accomplished through co-operation between the large oil concerns and the independents.

As regards the application of the Turner Valley operators to the Tariff Board for restrictions on the importation of oil into western Canada there is little possibility of a favorable outcome. Because of the lack of oil resources in eastern Canada, it is impossible to impose a duty on all oil imports. At the same time it is impossible to impose a duty only on imports to western Canada as the result would be regional tariffs. Alberta's marketing problem reviewed on page 20.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Saltfleet, Twp. of	Oct.		4%	20-ins.	$22,000	100	4%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
R. C. Episcopale Corp. of Temiscamingue		Dube, Leblond & Co.	3½ and 4%	1938-57	$210,500	100	...

Investor's Index

INDUSTRIALS AND UTILITIES

Amer. Cyanamid	8	Godfrey Realty	4
Abitibi	3, 4, 5	Gatineau	9
Asbestos Corp.	4	Guar. of N. A.	8
B. C. Pulp	16	Huron & Erie	9
Bawlf Grain	15	Int. P. & P.	4
Bay-Adelaide	16	Montreal Tram.	4
Bank of Canada	17	Mexican Light	12
Beauharnois	9	Montreal Pwr.	9
Can. West. Tel.	3	National Light	9
Can. North. Pwr.	9	N. B. Power	16
Can. Inves. Fund	9	Ottawa Elec.	17
Consumers' Gas	9	Premier Trust	8
C. P. R.	4, 15	Price Bros.	9
Coast Brew.	16	Stop & Shop	9
C. N. R.	15	Shawinigan	16
Donnacona	12	South. Can. Pwr.	4
Dom. Woollens	4	T. E. Bissell	5
Dom. Stores	5	T. G. Bright	17
Dom. Foundries	16	Tor. Elevators	8
Dom. Tar	9	United Fuel	15
Dom. Bridge	9	Wpg. Elec.	5, 9, 12
Dunrobin	17	West. Can. Flour	5
Eastern Dairies	4	York Knitting	4
Enamel & Heat.	8	Zimmerknit	4

MINES AND OILS

Alexandria	18	Le Roy Mines	18
Argosy	19	Malartic Gold F.	19
Albany River	19	MacFarlane L. L.	18
Beaufor	19	MacIntosh Oil	18
Buff. Ankerite	18	Moneta Porc.	18
Battleview Oils	20	Magwell L. L.	18
Capps Gold	18	Minto	18
Century Mining	18	Morris Kirk.	18
Crow River Dev.	18	Normetal	18
Calmont	18	New Gold. Rose	19
Cassels Duval	19	Orelia	18
Coal Gate Oils	19	Paulore	18
Cook Lake	19	Powell Rouyn	18
Delandore	19	Pioneer	19
Doreva	19	Payore	19
Delosha Porc.	18	Perron	19
Dominion Porc.	20	Parkhill	18
East Crest	18	Rouyn Reward	20
East Malartic	18, 19	Red Crest	18, 19
Electra Porc.	18	Scott Chiboug.	19
Eldorado	19	Sullivan	18
Fox Lake	19	St. Anthony	18
Foundation Pete.	19	Siscoe	18
Gunnar	19	Straw Lake	18
Gillies Lake	18	Shenango	18
Grace-Larder	20	St. Paul Silver	20
Island Mount.	19	Upper Canada	18
Inter. Mining	18	United Gold Eq.	19
Kirk. Gold Rand	19	Woods Cad.	19
Kermaque	19	White Horse	19
Lapa Cad.	19	Wright-Harg.	20
Lakeside Kirk.	18	Wascanna	18
L. B. United	18	Young Shannon.	18

QUOTATIONS

Bonds	14, 15	Industrials	14
Grain	15	Mines & Oils	14
Foreign Exchange	17		

'Gray Unity' Is Slogan Of Alberta Opposition By-election Triumph

(Continued from page 1)

"When I am driving, no one else is going to tell me how to drive."

The Edmonton by-election figures disclose the effectiveness of united action among parties opposed to Social Credit. The Gray total of 18,000 votes was not far short of the total vote cast in 1935 by supporters of organizations which worked for him this time. Based on first count, since proportional representation is in effect, the 1935 vote in Edmonton was: Liberal 14,033; Conservative 4,820; U.F.A. 2,092; a total of 20,945. The Edmonton Social Credit vote in 1935 was 13,661. In the by-election the vote for Mayor J. A. Clarke, Aberhart favorite though not an official Social Credit candidate, was 9,997. Clarke undoubtedly received a scattering of Liberal votes, having the advantage of a split in the Liberal party marked by opposition to Gray by the Edmonton Bulletin, and at the same time, Clarke has a following for municipal reasons.

Judging by the poor showing of other candidates, Clarke took most Social Credit votes that were cast. Allowing for imponderables, political observers put the Social Credit strength in Edmonton at now less than 9,000, enough probably to maintain one member in the six-member seat.

35% Loss

A fair estimate would appear to be that Social Credit strength has dropped from 14,000 to 9,000, that is, by 35%. In fact the by-election figures could be construed to support the claim the drop has been 50%.

Taking the province as a whole, the important question for the next election is what will happen to the votes lost to Aberhart? Social Credit received 163,700 votes in Alberta in 1935, and if 35% are going elsewhere the next time, the shift in voting will reach 60,000. Where will they go?

If one cares to indulge in speculation, the relevant figures are that the 1935 vote of leading parties opposed to Social Credit were Liberal 69,845; U.F.A. 33,063; and Conservative 19,358. By picking up 60,000 votes, the Liberals might be assumed to have the best chance of forming the next government. Neither Conservative nor U.F.A., it would appear, have that prospect as separate political parties, though the U.F.A. comeback should not be underestimated.

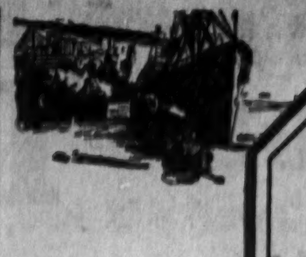
Unites Considered "Sure Fire"

The fact remains that the Alberta voter has a deep prejudice against "old line parties." This conviction is a by-product of the days of the United Farmers. It is an important factor in Alberta politics, and one that Mr. Gray has taken into account. Therefore, he decreed a Liberal house-cleaning and a broadening of the party's appeal. The 1935 figures show a combined Liberal, Conservative and U.F.A. strength of about 120,000 as a basis on which to build a Unity movement. With 60,000 converts from Social Credit, many desiring to repair the damage they shared in creating in 1935, the Unity movement looms as a sure-fire thing for the next election.

What kind of government would Gray Unity bring to Alberta? That is a point on which Mr. Gray is reticent. He points out that one of main principles he has laid down, constituency autonomy, leaves political groups in each riding to work out for themselves the method and degree of co-ordination. The formation of a new government will rest, as always, with the members elected to the Legislature. Looking ahead, one may conjecture that the question of who takes the premiership would be decided at the first caucus of members-elect. This may be Mr. Gray, but it may be someone else. Undoubtedly Mr. Gray would be in that government, with a strong Liberal representation. At the same time, it is likely such leaders as D. M. Duggan, the Conservative chieftain, and others, would be included. The basis of co-operation within the government is a matter that will come up when the Aberhart administration is toppled.

Mr. Gray himself has used the illustration of Manitoba, where the forces of rational progressivism have found common ground in the administration of Premier John Bracken. Such an administration would no doubt be to Gray's liking.

A difference to be noted in the rise of the Unity movement in Alberta is that the basis of co-operation has been laid in advance, and not by Gray alone. Mr. Duggan has been preaching the cause of co-operation for a long time, and has performed much missionary work along the lines of Unity. He has been a strong supporter of the Gray plan since its inception.



Exporters find at Canada's oldest bank a financial service responsive to their every banking need.

MODERN, EXPERIENCED BANKING SERVICE . . . . *the outcome of 119 years' successful operation*

HEAD OFFICE, MONTREAL

BANK OF MONTREAL
ESTABLISHED 1817
ASSETS OVER $800,000,000

Canada Northern Operations Wider

Mines Expansion Requires Increased Power Load

From Our Own Correspondent

MONTREAL.—Continued expansion in demand for power and in distribution facilities is reported by Canada Northern Power Corp.

In a letter to shareholders covering operations for the third quarter of 1937, the management reports that in the Kirkland Lake camp, several properties have materially added to their equipment, thereby increasing the demand for power in that area. These include Wright-Hargreaves, Sylvanite, Macassa and Morris Kirkland Mines.

Quebec Mines Expand

Extension of operations is also quite marked, the report goes on to say, in the district surrounding Noranda and Rouyn, where a new and more direct feeder has been constructed to serve Aldermac Copper Corp., which has recently increased its capacity power load. Other properties in the vicinity which are enlarging the scope of their operations are Powell Rouyn Gold Mines and Waite Amulet Mines.

In the Cadillac area, a contract for the supply of power to the property at Pandora Cadillac Gold Mines was entered into early in July and a short feeder to serve that property has been built. Advance transmission line 5½ miles long has been built to supply the property of Quebec Manitou Mines.

CHEMISTRY
and the Paint User

The service value of a paint is not a matter of brand or price. It is a matter of proper pigments properly ground in weather or wear-resistant vehicles.

For many years we have advised the largest users of paints in Canada about the quality and service value of the paints they use.

We can be of direct assistance to you.

MILTON HERSEY CO., LIMITED
Industrial Chemists, Engineers and Inspectors
MONTREAL WINNIPEG

"Fifty per cent. of the envelope is the gumming!"

Bull Dog GUMMING
—The gum that made Globe Envelopes famous!

GLOBE ENVELOPES
Makers of *Well Gummed* Envelopes
345 CARLAW AVE., TORONTO

Will more MONEY help your business grow?

Have you a new development in mind? Will a rearrangement of your operations make them more profitable? Have you a new product to be marketed? Do not let a lack of ready money restrict your progress. A Loan from this Bank may take care of your requirements. In addition to the money this Bank has to lend, it places its experience and judgment at your service. Make this your Bank and use it. Consult the Manager of our nearest Branch.

THE DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE, *President* — ROBERT RAE, *General Manager*

London Calling

by Atticus

The "Atticus" column, famous for years as a feature of The Sunday Times of London, commencing this week becomes a regular feature of The Financial Post. Started by T. P. O'Connor, it was continued after the famous Irishman's death by Margot Asquith and then by John Buchan, now Lord Tweedsmuir. The present writer, who remains anonymous, has maintained the traditions of his famous predecessors.

LONDON.—If Shakespeare were alive today what a stupendous historical drama he could write. Nor would he have to overstrain that limitless imagination in remolding the characters from real life to meet the exigencies of theatrical requirement.

Every type of actor is ready and rehearsed. There are the "Heavies" with darkened brow and clanking step. They have even outdistanced Kipling so that now his famous line would have to read: "The corporals and the kings depart." There is the little slant-eyed villain of the East with courtly manners and the open knife. There is the handsome, juvenile lead who rides out each day in the sun like Sir Galahad seeking to free the maiden "Peace." There are plotters who gamble in the currencies of foreign nations and count economic collapse not too big a price for the enriching of their private pockets. There are the crowds who have no quarrel with each other waiting to hear that they are at war.

Nor would such a drama be complete without the feminine element. The rough music of men's voices needs the softer notes of women. Therefore we must turn to China for the Three Wise Women of the East—the three Soong Sisters who are exerting such a profound influence upon Oriental affairs at this moment.

• • •

Madame Kai-Shek

The wife of the Generalissimo feels like a Chinese and thinks like an American. When I was in the U. S. A. this summer I heard a great deal about her from friends and admirers. In fact, I was privileged to read a long, private letter from her which not only showed an extraordinary political instinct but a real command of English. The Oxford Group is inclined to claim her as an adherent, although she has little in common with the fatalism of that much discussed movement. While hoping the gods may provide, she prefers to trust to her own and her husband's efforts.

MME. KAI SHEK

She is the youngest of the Soong Sisters and was educated in America. By temperament and by contact she came naturally under the influence of her brother-in-law, Dr. Sun Yat Sen. Above everything else she is an idealist and a realist. The devotion of Mrs. Chamberlain to the Prime Minister is not greater than the devotion of Madame Chiang-Kai-shek to her Generalissimo. Her husband does not read English, but Madame Chiang-Kai-shek constitutes herself a Literary Digest and keeps him informed on contemporary occidental thought. When he is harassed she soothes him with Bach on the piano. Personally I have always found Bach on the piano irritating, but the endurance of the Chinese is unquestionably part of their strength. Unlike Mrs. Chamberlain, however, Madame Chiang-Kai-shek does not end her activities with mere devotion to her husband. She takes an active and decisive part in the affairs of the nation. To the Chinese armies she is a familiar figure as she descends from her airplane for an unexpected visit. Literally she knows no fear except for China and is incapable of hatred except for Japan. A truly remarkable and attractive woman who some day may have as significant a statue in her memory as that of the Maid of Rouen.

• • •

The Sisters

The two sisters of Madame Chiang-Kai-shek are not so spectacular nor so gifted as she. The eldest is the widow of the late Sun Yat Sen. Where there are three sisters there is always one who is the beauty and that honor belongs to Madame Sun Yat Sen. We find a certain similarity to western life in the fact that she was Sun Yat Sen's secretary and their marriage necessitated the divorcing of his patient and amiable wife. Not for the first time in the affairs of men and women the substitution of a Cosima for a Minna has strengthened the genius of the man. After his marriage a new clarity and a new spiritual power seemed to animate Sun Yat Sen which resulted in the shaping of the revolution. It is said that his wife made him greater than he was and that it was her mind which stimulated his. But then Cosima never wants for champions. On his death Madame Sun Yat Sen retired from the public scene but is supposed to keep in touch with the Chinese Communists. For a time it was thought that she was hostile to her brother-in-law, the Generalissimo, but I venture to think that I see the delicate hand of the beautiful Soong sister in the presence of the Communists in the firing line at this time.

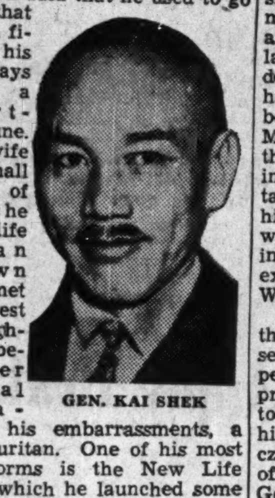
The story of the third sister is not exciting. Her husband is the Minister of Finance and she contents herself with dominating him. Behind the scenes she is called "Madame Minister," which may or may not be fair to Mr. Kung. Certainly she was once a very considerable power on the Shanghai Stock Exchange, and a woman who could be that ought to find national finance simple. Madame Kung is not popular like her sisters, but power is sweet compensation for the untutored plaudits of the mob.

There were three Soong sisters and three Soong brothers, but the genius is in the female branch. While the sons can claim a place in the "Soong Dynasty," the footsteps on the sands of time will have been made by the dainty feet of the three sisters.

• • •

Her Husband

The Generalissimo was not always the austere figure that he is today. He rises at 5.30 each morning, whereas it is said that he used to go to bed at that hour. As a financier in his earlier days he made a comfortable fortune. With his wife and a small selection of concubines he lived the life of a man about town until he met the youngest Soong daughter and became, after an official separation from his embarrassments, a complete puritan. One of his most ardent reforms is the New Life Movement which he launched some time ago in which he strives to inculcate the principles of purity of thought, motive and action. Those who know him well tell me that he is nervous in temperament but strong of nerve in a crisis. Politically he was once sympathetic to Communism but turned against it and is now its bitter enemy. His health is indifferent and he lives in constant fear of assassination. But if China emerges from her long sleep and maintains her independence, history will have to give full credit to the Puritan Generalissimo of Nanking.


GEN. KAI SHEK

• • •

Lord Peel

The death of Lord Peel last week is a reminder that Britain more than any other country relies upon men of character rather than of genius to serve her. I cannot conceive the late Lord Peel ever rising to any eminence in the American Congress or the French Chamber. He would have lacked popular appeal and appeared to no particular advantage on the newsreel. Yet the odd part is that the Governments of France and America would have been immeasurably strengthened by the inclusion of a man of his attainments.

His was a deceptive personality. When I lunched with him some years ago when he had been appointed Secretary of State for India, there was little to suggest in his conversation or his manner that he possessed the necessary qualifications for the task. He was definitely not in love with politics. The strain that had produced a Prime Minister and a Speaker had given out in the third generation. There was a nice, easy mockery in his conversation and an utter lack of ostentation, but India in its troubled state looked too heavy a load for him.

Not for the first time in politics the runner was better on the track than in the paddock. Lord Peel showed common sense and patience in handling the Indian problem—and those were the two qualities most needed. Being politically unambitious he did not regard India as a sounding board to magnify his own career but as a job that had to be done. Men who were torn with dissension found ease in the geniality of his presence. Tempers cooled and wisdom was allowed to speak.

When he presided over the Burma Round Table Conference his good humor and banter oiled the wheels many times when they were creaking noisily. He was a man of goodwill in a period when that spiritual commodity was at a discount.

His heaviest burden, however, was when he took on the chairmanship of the Royal Commission on Palestine in 1936. Lord Peel had no illusions about its difficulties. "There is only one thing certain," he said to a friend. "Whatever we recommend will be indignantly denounced, especially by those who know the least about it." The conclusions of the Commission were actually a natural expression of his attitude toward life—"Divide Palestine and live amicably side by side." He was bored again and again by the violent partisanship of Arab and Jewish witnesses called to give evidence. He longed for the half tones of compromise instead of the shrill glare of extremism. More than once his life was in danger, but that was all part of the miserable task set for him. As a matter of fact the report when it was issued proved one of the strongest and wisest papers ever issued. The wording was scholarly, the arguments lucid and the evidence comprehensive. As Lord Peel expected, the storm that greeted it was terrific, but those who shouted loudest have produced no adequate substitutes. It may well be that the final epitaph of this unassuming, unambitious servant of the State will be that he sowed the seeds of tolerance both in India and Palestine.

• • •

A Reception

It was pleasant the other night to renew friendship with the Egyptian Ambassador and his happy little wife. Dr. Afifi had asked guests to the Embassy to meet representatives of the Egyptian press, an invitation that was doubly attractive to the author of this column. Journalists are always good company. Even if they are perplexed in their own minds they always know what their newspapers think. A newspaper to a conscientious editor is as the portrait was to Dorian Gray. He remains unchanged, only the newspaper shows the ravages of time and excess.

I was particularly interested in the remarks of a distinguished Cairo editor who addressed me with remarkable energy in more or less these terms.

"Make up your minds whether you believe in the League of Nations or not. Make up your minds about Palestine. Make up your minds whether you want friendship or war with Germany. Make up your minds about Japan."

At that moment we were interrupted by the arrival of Egyptian coffee. I felt sorry because I felt that the editor had really only started.

• • •

Sir William Ray

Truly we are well served by men of character, Sir William Ray had no political heredity to launch him on his career and no social influence. But his premiership of London—a designation he deplored in public but enjoyed in private—constituted a magnificent record. Not long after Mr. Herbert Morrison's accession to the chairmanship of the London County Council, I had the uneasy task of speaking after him at a dinner. Mr. Morrison took as his theme the subject "A day in the life of a Londoner." Most adroitly he showed that from the rising in the morning to the possible removal to a L.C.C. hospital in a L.C.C. ambulance, after having been knocked down by a L.C.C. van, a citizen was hardly ever out of touch with the beneficent activities of the L.C.C. Mr. Morrison told it with such gusto that he gained much applause and incidental kudos. It gave me a certain ironic pleasure on following him to explain that the blessings which he had enumerated had been inaugurated or perpetuated without exception by the party led by Sir William Ray.

Sir William won his way despite the handicap of a fiercely-pointed sergeant-major's moustache. I suspect that it was a matter of great pride to him and it was difficult not to stand at attention when meeting him. He had been too much of a czar to be happy in the democracy of the House of Commons, but the Government wisely used him in committee where his abilities ranked highest. A friendly, able and energetic man—with London written on his heart.

Copyright, 1937, The Financial Post, and The Sunday Times, London.

Mountain Grandeur in the Drakensberg

A smile of Greeting from a Zulu Brave

THE world you live in will be invested with new colour, new meaning, when the rare beauty of this enchanting land, its sights and sounds, have become part of your experience. "He who drinks of the waters of Africa will return to drink again" runs the proverb—and of such ingredients as the riotous wonders of natural beauty, the mysteries of an ancient past, and a charmingly different way of life beneath the southern skies, is the potion made.

South Africa is a vast country, yet within the scope of a reasonably short visit one may thrill to the mighty Victoria Falls, tour amidst the wild life of the Kruger National Park, or stand amazed amid the eerie beauty of the Cango Limestone Caves. Your days will be bright with sunshine, yet the first star heralds a night of cool and restful slumber. Here, too, the pleasures and amenities of a civilization rejoicing today in unparalleled prosperity are heaped upon the visitor. Surf riding, the theatre, sports, music vie with one another to win the traveller's heart.

You will be agreeably surprised, too, when you learn how economically and conveniently a glorious South African holiday may be enjoyed. Leading travel agencies will gladly supply full information.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

Abitibi Drama Draws Stars

Legal Lights to Illuminate Bondholders' Meeting

One of the most imposing arrays of legal talent ever to attend a Canadian corporation meeting have been picked for the Abitibi bondholders' session at Toronto on Oct. 15 to consider reorganization proposals.

W. N. Tilley, K.C., Glyn Osler, K.C., and John R. Cartwright, K.C., will be acting for the Bondholders' Representative Committee, which has the legal aid of Blake, Lash, Anglin and Cassels, Toronto, MacDougall, Macfarlane, Scott and Hugessen, Montreal, and Sherman & Sterling, New York.

Stockholders' Solicitors

The Preferred Stockholders' Protective Committee, headed by Lieut.-Col. Herbert Molson, Montreal, has as its legal advisers the Montreal firm of Meredith, Holden, Heward and Holden and in Toronto, Long and Daly. At least one of the two law firms will be represented at the meeting.

Among the latest additions to the list are Sir Henry Drayton, K.C., chairman of the newly formed Bondholders' Defensive Committee opposing the reorganization plan of the Bondholders' Representative Committee headed by J. P. Ripley. Counsel for the Defensive Committee will be Hon. J. L. Ralston, K.C., Montreal.

Inspectors may also be represented by counsel. Recently A. G. Slaght acted for J. H. Gundy and Arthur W. Roebuck for Collin Brooks, in some of the legal proceedings.

For the Montreal Trust Co., Canadian trustee for Abitibi bonds, and for G. T. Clarkson, the Abitibi receiver and manager, the chief legal adviser has been Strachan Johnston, K.C., of Johnston, Heighington, Tory and Johnston.

Rowell, Reid, Wright and McMillan, are solicitors for the Abitibi liquidator, R. S. McPherson.

Legal costs on all sides will run high and most of them are expected to be met out of the resources of Abitibi. Some shareholders feel they will be paying for the show.

Plan to Eliminate Can. Western Telephone

A meeting of holders of 5½% bonds and 6% debentures of Canadian Western Telephone Co. will be held Nov. 1 in Vancouver. The purpose is to consider a plan to exchange all bonds and debentures of Canadian Western Telephone for identical securities in the operating subsidiary, Okanagan Telephone Co. There are $532,500 bonds and $275,000 debentures outstanding.

Canadian Western Telephone Co. is controlled by Canadian Public Service Corp., Vancouver. The proposed exchange of bonds will eliminate Canadian Western Telephone as a holding company and place Okanagan Telephone under immediate control of the parent firm, Canadian Public Service.

Canada Northern Power Records Gain in August

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. reports an output in August of 55,003,605 kw.h. of electrical energy. This contrasts with 50,230,823 kw.h. in the same month last year, an increase of 10%.

No Agreement As Yet On Brazil Debt Service

Although negotiations have been conducted in the United States between representatives of bondholders and the Government of Brazil in regard to future service of the external debt of that country, no indication has been given as to whether bondholders may expect better treatment than was afforded them by the Aranha scheme.

The Aranha scheme, which went into effect in February, 1934, divided external Brazilian bonds into eight classifications and provided for partial interest payment at varying rates Those in Grade VIII, however, received no interest whatever. The Aranha scheme comes to an end on March 31, 1938, and under its provision the whole matter had to be reviewed before Sept. 31, 1937.

Uncertain Factor

It is generally conceded that the economic position of Brazil has recorded marked improvement and that the republic is in a position to make higher debt payments than when the Aranha scheme was introduced. However, there are indications of an unwillingness on the part of Brazil to increase debt service.

In this connection, the Stock Exchange Gazette of London, Eng., points out Dr. Oswaldo Aranha, Brazilian ambassador to U. S.; Senhor Souza Costa, minister of finance; and Senhor V. H. Boucas, director of the Brazilian Commission of Financial and Economic Studies, who were responsible for what is known as the Aranha scheme, are directing current negotiations. The records and speeches of all three give the impression that they are anti-foreign and they have little regard for the rights of foreign investors. The Gazette suggests it is only the hope of obtaining more capital and greater trade facilities, specially from the United States, that prevents them from advocating entire debt repudiation.

Dr. Costa, following his recent financial mission to U.S., stated that he believes a solution of the external debt can only be found within the principle governing the Aranha scheme—"that a nation is not obliged to pay beyond that which its economic strength permits." Senhor Boucas recently advocated the continuance of the present scheme of payments.

Exports Increase

Indicative of the economic improvement of Brazil is the increase in its foreign trade. During the first six months of the current year exports amounted to about $108 millions, an increase of about 25%. Imports amounted to $91 millions. The actual trade balance, however, should be even better than is indicated by these figures since it is generally recognized that exports are understated and imports overstated.

Another favorable factor is the increase in recent years in the gold reserves of the Bank of Brazil. Furthermore, it is understood that several million pounds sterling of gold credited have accrued to the Brazilian Government in London. The scheme for establishment of a central bank with the aid of $60 millions credit from United States should also make the provision of exchange for debt service easier.

Beauharnois Case Appeal Permitted

Court Admits Ontario's Claim for Submission to Privy Council

The case of Beauharnois Light, Heat & Power Co. against the Ontario Hydro and the attorney-general is proceeding slowly toward the Privy Council. The suit arises from cancellation of the company's power contract.

The Ontario Court of Appeals has admitted appeal to the Privy Council, without security for costs, by the Hydro and the attorney-general.

This appeal is made from the judgment of Mr. Justice Middleton in favor of Beauharnois. His Lordship stated that 1937 legislation enacted by the Ontario Government was designed "to oust the jurisdiction of the courts and usurp the power, which properly belongs to the courts, of construing, interpreting and enforcing contracts."

The legislation permits the Government to carry an appeal to the Privy Council without security for costs and restrains officers of Ontario courts from collecting judgments against the Hydro. The statutes were proclaimed by the Government on the day that judgment in favor of Beauharnois was given in the Appeal Court.

Mr. Justice Fisher concurred in the Middleton judgment. Mr. Justice Henderson, also concurring, commented, "I agree with my brother Middleton's conclusion as to the purpose and object of the legislation as a whole."

Following re-election of the Hepburn Government there have been renewed rumors that the Ontario Hydro will make a new deal with Beauharnois sooner or later. This hope is based on the view that the rising power loads in Ontario will necessitate additional power purchases by the Hydro.

Year-Round Vacation from Financial Details

OUR "Agency Service" has proved attractive and helpful to men and women who for various reasons prefer not to burden themselves with financial details.

Let us serve you

Crown Trust Company

Executors :: Trustees :: Financial Agents

WILLIAM I. GEAR, President
JOHN JENKINS, Vice-President IRVING P. REXFORD Gen. Mgr

MONTREAL 393 St. James Street
TORONTO 80 King Street West

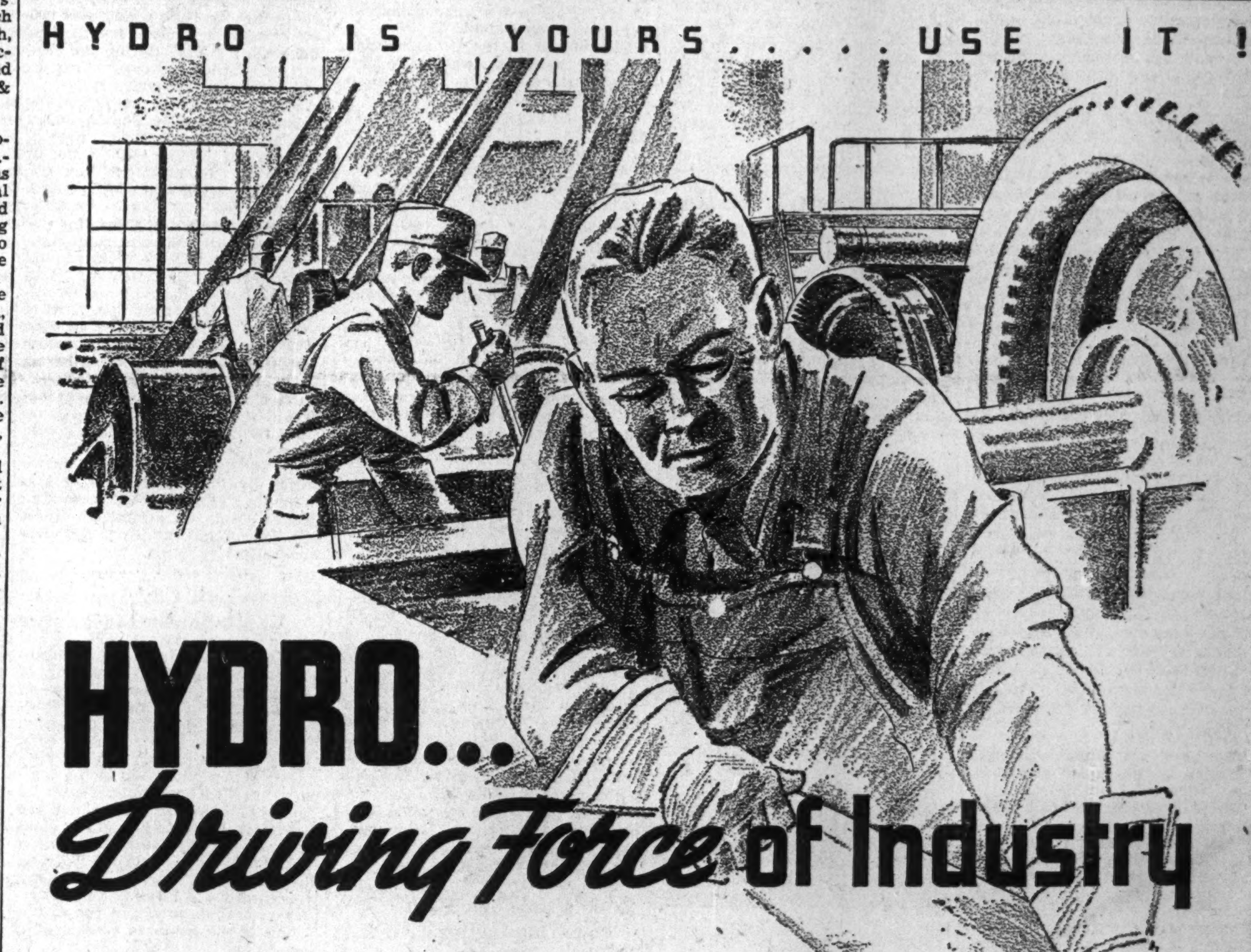
Let us serve you and your family

Guarantee Co. of America Pays Bonus on Common

From Our Own Correspondent

MONTREAL.—Directors of Guarantee Co. of North America, with headquarters in Montreal, declared an extra dividend of $2.50 a share in addition to the usual quarterly dividends of $1.50 a share on the common stock, payable in Canadian funds on Oct. 15 to holders of record Sept. 30.

HYDRO IS YOURS....USE IT!



A busy plant—the hum of machinery—the steady movement of parts toward an assembled whole—finally—the manufactured product which brings profit to the manufacturer, salaries to staffs, payrolls for the workers.

Throughout Ontario this steady hum of industry is increasing—payrolls are being added to—manufacturing costs are steadily rising higher—yet the cost of the driving force of Ontario industry—Hydro power—moves steadily downward.

Have you ever stopped to consider what would happen if Hydro power was suddenly cut off throughout the Province—the loss in money and inconvenience you would suffer? How vital Hydro is to industry?

You should, because Hydro means much to you in personal income. Low-cost power attracts industries, with consequent employment of thousands of workers increasing the individual buying power within the Province, consequently influencing your income regardless of your occupation.

The success of Hydro in the past two years in lowering power costs has been outstanding. Its efforts to increase the prosperity of our Province by lowering power costs still further, and extending the benefits of low-cost electricity to those in cities, and those on farms, to commerce, to industry, to all who may benefit by its use, is something which **you**, as a partner in this enterprise, may take justifiable pride.

The HYDRO ELECTRIC POWER COMMISSION of Ontario

377

Investment Trends

Fear Big Factor In Stock Slump

Liquidation of Speculative Borrowings Evident in London and Canada — From Too High, Stock Prices May Go Too Low

The question of what the meaning is of the persistent decline of stocks since mid-August is puzzling the best authorities. Obscurity of reasons for the slump has contributed to the psychological factors. It leads to fear of another depression, fear that war will knock stocks awry, fear of the unknown. The fact that many people are prepared for adverse developments suggests that their fears may be misplaced because it is unpreparedness that creates really dangerous financial situations. But persistent fear of temporary business recession may be a big influence in causing such a pause.

Tightening of credits in London, a natural consequence of the high speculative activity there, has contributed to the slump of stocks in Canada and the United States. There has been heavy speculation in American shares in Britain for two or three years and some of these holdings have had to be jettisoned.

Low and Lower

Those who follow movements of stock market averages have small comfort from the new lows that have been established in New York. Affecting Canadian stocks so strongly, the new lows in Wall Street are particularly disappointing to the optimistic in that it remains doubtful whether bottom has been established. For those who prefer the optimistic view of things it can be said that the rise of investment yields as stocks fall should sooner or later bring at least a temporary halt when investment demand asserts itself.

Even though it might be temporary, and dangerous to follow with purchases of stocks, there remains the possibility of a substantial rebound from the persistent decline of the past two months. One of the remarkable features of the slump has been the inability of markets to recover substantially.

* * *

Pricking the Bubble

The Montreal Stock Exchange reports for September the sharpest reduction in borrowings of its members on securities for one month since the returns were started over five years ago. In the month members' loans fell $12.5 millions to $26.4 millions, a decline of about one third.

Toronto Stock Exchange members' borrowings on securities dropped by nearly $8.6 millions to $34.5 millions in September, a reduction of approximately one quarter.

The combined figures are charted elsewhere in this issue.

The changes show a remarkable deflation in speculative borrowings by margin traders. It means that speculators have had to liquidate and that their sales have been absorbed by more solid investment buyers. With due regard for other factors affecting stock prices, it can be said that the liquidation of brokers' loans puts the markets in a healthier condition.

* * *

Too High and Too Low?

Almost every reason has been given for the decline of stocks, says one ironical observer, except the possibility that they were too high. Have prices now gone too low? If the investor could be sure of the answer to that question, he could purchase stocks with greater confidence than now prevails.

In view of the important influence of American financial trends on Canadian markets, recent comments of Jesse H. Jones, chairman of the Reconstruction Finance Corp., are pertinent to the question. Mr. Jones said:

"We have not caught up with six years of neglected construction. . .

"There is no shortage of buying power. . .

"Ask a dozen men for an explanation of this falling market and you are apt to get as many different answers, but they will all include 'fear.' . .

"There are, of course, many contributing reasons, but are they sufficient to warrant so much pessimism? I do not believe so. The market may have been too high. But there seems no reason for it going as low as it has."

It is a peculiarity of stock market psychology that when prices have risen to a peak there is general optimism, and when they have run into a slump there is a multitude of pessimistic explanations. Of course, it is difficult even for high financial authorities to know how low is "too low."

* * *

Scope for Recovery

The current monthly letter of The Royal Bank of Canada shows the irregularity of recovery in Canada and the scope for further economic improvement. It shows that Canadian exports of metals have been far ahead of 1929. But agricultural exports have been only slightly above half the 1929 level. Building remains in a relatively depressed condition. The letter summarizes it:

"To the metal miner and the city worker in active industries the present situation has brought high wages. To the farmer, who has suffered from drought, and to those who have not been reemployed by the railroads or the building industry, the general gains of Canada have brought little benefit. The situation is most uneven."

The unevenness of the Canadian recovery is reflected in the stock market in prices that have remained pretty well depressed for building shares and farm supply stocks. While mining activity has helped such securities, the Canadian stock market picture would be improved by brighter conditions in agriculture and building.

* * *

Market's Forecast

The question of whether the stock market forecasts business or whether it is often a bit late in becoming aware of business trends comes in for comment from Alexander Dana Noyes in the New York Times:

"It should be remembered that a pause in steel activity or a particularly rapid fall in cotton may be effect rather than cause of the stock market's action. No doubt, there are some unpleasant implications in that fact; for business plans in America are sensitive, as they are nowhere else, to major upward or downward swings on the stock exchange. This does not mean that the stock market of a few successive weeks is always the barometer of trade; it certainly was not so in some spring and summer months of 1936. But the feeling is never wholly absent that it may be."

Investment Notes

Dominion Woollens & Worsteds, Ltd. — Fiscal year end has been changed from June 30 to Dec. 31 and no complete financial report will be issued until some time early in 1936. When the report appears it will cover an 18-month period but the company is sending a letter to shareholders reviewing operations for the 12 months ended June 30, 1937. This letter will probably be mailed around Oct. 15.

* * *

Abitibi — Commenting on Abitibi 5% bonds around 84½ and the 6% preferred shares around 37, W. C. Pitfield & Co. says they appear under-priced and over a period of time afford an opportunity for appreciation in value.

* * *

Int. Paper & Power — One of the largest American investing companies, Lehman Corp., reduced its holdings of common shares in the three months ended Sept. 30. This gives added significance to inclusion among its few purchases of 4,380 shares of the new I. P. & P. common.

* * *

Asbestos Corp. — Continued improvement in the business of this company is seen in the Government's export figures. During July shipments totalled 35,194 tons, comparing with 35,341 tons in June and 27,749 tons in July, 1936.

* * *

Montreal Tramways—Stock has been "soft" for some time in anticipation of the provincial enquiry. To date the commission has not been appointed, but some action should be taken shortly.

* * *

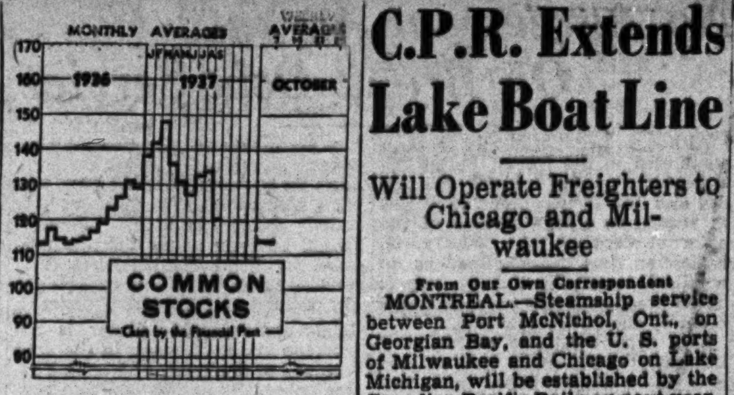
Eastern Dairies — Some improvement is reported in earnings of the company and the financial statement for this year is expected to show a modest strengthening. Prospects of a dividend still remain indefinite.

Godfrey Realty Plan Adopted by Bondholders

Plan of reorganization submitted to Godfrey Realty Corp. first mortgage bondholders on Sept. 30, 1937, was accepted by a virtually unanimous vote of bondholders represented in person or by proxy.

Bondholders will be notified by the company in a few weeks time with regard to procedure to be followed for exchanging present bonds for the equal amount of new 4% first mortgage bonds, due 1952, to which they are entitled along with one new common share for each $500 of bonds held. First interest payment will be due on the new bonds on Dec. 1, 1937.

INVESTMENT SECURITIES
NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada



STILL LOW

Common stock prices for the first week of October held the Dominion Bureau index down to 113.6. While the average for the whole month of September was slightly above 120, the lowest levels for the year were made in the latter days of the month. Indices are tabulated on this page.

Newsprint Still Sets Fast Pace

Production, Shipments and Stocks on Hand at High Point

From Our Own Correspondent

MONTREAL.—Newsprint production in Canada and the United States during September continued at a high level, according to figures released by the Newsprint Service Bureau. Shipments kept pace, as also did stocks of paper on hand.

Canadian mills report a production last month of 312,351 tons and shipments of 306,548 tons. This compares with an output of 269,782 tons and shipments of 269,689 tons in September last year.

Production in the United States was 77,635 tons and shipments 73,838 tons. This also was somewhat better than a year ago, when output totalled 72,216 tons and shipments 75,466 tons.

During September, 31,160 tons of newsprint were made in Newfoundland, as against 28,329 tons a year ago.

The total North American production last month was 421,146 tons, as against 369,609 tons in Sept., 1936.

Cumulative Gain 15%

Canadian mills produced 426,784 tons more in the first nine months of 1937 than in the same period of 1936, an increase of 18.5%.

The output in the United States for the year to date was 26,154 tons, or 3.8% more than in 1936, and in Newfoundland 29,331 tons, or 12.1% more, making a total increase of 482,269 tons or 15%.

Volume of Labor Trouble Shrinks During September

Settlement of the Ontario and Quebec textile strikes which sent the August strike record to a peak for the year, resulted in a sharp drop in the volume of labor troubles recorded for September. The number of workers on strike last month was approximately 2½ times less than in August, though still higher than in Sept., 1936.

The comparative figures are shown in the following table, based on department of labor statistics:

	1937 Sept.	1937 Aug.	Sept. 1936
No. of strikes	24	39	27
No. workers involved	7,007	17,966	8,054
Time loss*	44,876	297,627	55,977

*Man-working days.

Montreal-N.Y. Air Line Traffic Volume Doubles

Passenger traffic carried on the extended air service between Montreal, Albany and New York has more than doubled during the past year according to a report issued this week by Government officials at Washington. During the period from May to September, 2,896 passengers were carried, compared with 810 during the same period last year. The service is operated by Canadian Colonial Airways, an affiliate of American Airways, and is connected with a "shuttle route" between Montreal and Ottawa.

New Brunswick Plans Hard Surfacing of Roads

From Our Own Correspondent

MONTREAL. — Proceeds of the New Brunswick Government's recent loan of $3¼ millions will be used largely for hard surfacing of roads.

Proceeds of the loan will be apportioned largely as follows: $2 millions for hard surfacing of highways; $500,000 for permanent bridges and $500,000 for the New Brunswick Electric Power Commission.

St. James, Man. — This defaulted Winnipeg suburb reports total revenue of $456,041 for the first eight months of 1937 compared with $446,280 in the corresponding period of 1936, an increase of $9,780. This showing has been made despite a reduction of $5,382 in Government relief grants.

C.P.R. Extends Lake Boat Line

Will Operate Freighters to Chicago and Milwaukee

From Our Own Correspondent

MONTREAL.—Steamship service between Port McNichol, Ont., on Georgian Bay, and the U. S. ports of Milwaukee and Chicago on Lake Michigan, will be established by the Canadian Pacific Railway next year.

Accepting the recommendation made by its examiner several months ago, the Interstate Commerce Commission at Washington has approved the C. P. R. application for such service.

The railway proposes to establish through rail-lake-rail service and to offer joint rates between points in eastern United States and eastern Canada and interior points in the United States. Through the ports of Chicago and Milwaukee the new route will serve all western trunk line territory, Wyoming and that portion of Illinois north of a line extending from East St. Louis to Danville, Ill. Schedules for the new service will be published before Dec. 27.

Great Lakes Transit Discontinues

Reason for the application was the prospective discontinuance of operation from Windsor, Ont., to Lake Michigan ports of the Great Lakes Transit Co., which would leave the C. P. R. without a through service to compete with the Canadian National. The C. N. R. controls Canada Atlantic Transit Co. operating between Depot Harbor, Ont., and Milwaukee and Chicago.

In order to provide the service the C. P. R. will recondition its two lake freighters, the Alberta and Athabaska. These ships were at one time used as passenger boats, but were converted to freight service a number of years ago.

Southern Canada Adds to Business

Continued Activity in Area Increases Domestic Power Load

From Our Own Correspondent

MONTREAL.—Continued industrial activity, renewed building operations, and the establishment of new industries, have added over 900 new customers to Southern Canada Power Co.'s system during the current year, according to a report issued to the shareholders.

The new industries established include the St. Charles Textile Co. in St. Johns; Fireside Furniture at Lennoxville; Fletcher Shoe Co. at Richmond; Citadel Paper Box Co. and the Marieville Silk Mills Reg'd. at Marieville.

Several Plants Expand

Plant expansions have been completed or are being undertaken by the following; Bell Telephone Co., a new exchange building at Drummondville; additions to the plants of Dominion Cottons and Canadian Celanese Co. at Drummondville; plant additions by the Union Screen Plate Co. at Lennoxville; R. C. Wilkins & Co. have enlarged their factory at Farnham, while Black Bros. have built three new mushroom houses at Waterloo.

The increased employment is reported by the Singer Sewing Machine Co.; Canadian Celanese Co.; Canada Crate Co.; Canadian Ruler and Manufacturing Co.; and National Hosiery Mills.

Zimmerknit Co. Appoints V. W. Scully Liquidator

A resolution was unanimously adopted at the special meeting of Zimmerknit Co. shareholders on Oct. 6, 1937, authorizing the voluntary winding up of the company. V. W. Scully, Toronto, has been appointed liquidator.

Only remaining assets of the company are 33,652 common shares of York Knitting Mills, Ltd., which are to be distributed to holders of common shares of Zimmerknit Co. on a share for share basis. York Knitting Mills, Ltd., is a shareholder but has waived any right it has to participate as a shareholder in the distribution of the assets of Zimmerknit. The Royal Trust Co., Toronto, is now ready to distribute certificates representing the York Knitting Mills shares.

This marks completion of the moves by which the assets of Zimmerknit Co. were acquired by York Knitting Mills.

York Knitting Listed

Preferred and comon shares of York Knitting Mills are being called for trading on the Toronto Stock Exchange on Oct. 14, 1937. The listing covers 229,012 no par value common shares out of an authorized issue of 300,000 shares, 1,500 shares of 7% cumulative first preferred and 3,000 shares of 7% second preferred stock.

Total sales of York Knitting Mills and subsidiaries amounted to $4,498,018 in 1936 compared with $4,387,997 in 1935 and $4,291,164 in 1934.

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
No. of Securities	8	6	4	4	10	13	7	14	15	9	19	96
1929-36:*												
High	432.5	113.4	273.4	423.5	112.5	197.8	205.4	281.1	197.6	131.7	156.0	198.3
Low	39.2	8.0	37.7	87.7	30.6	78.8	83.6	44.5	47.1	63.1	36.9	43.3
1937:												
Jan.	156.5	37.2	119.6	239.5	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	186.2	139.8	208.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.8	182.4	133.4	204.8	86.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Weekly Figures, 1937:												
Sept. 2	144.0	[illegible]	95.6	223.4	78.6	179.0	133.4	185.1	85.8	89.6	62.4	130.9
Sept. 9	134.3	32.4	92.7	210.7	76.0	172.4	123.9	168.3	79.4	88.2	58.1	122.7
Sept. 16	123.3	29.9	89.3	203.8	74.8	166.2	118.9	158.8	78.1	86.7	57.2	119.8
Sept. 23	120.2	28.3	89.2	203.8	73.0	165.6	117.8	156.3	78.5	85.1	57.2	117.6
Sept. 30	113.9	26.1	86.6	199.8	70.4	161.9	114.2	144.5	77.1	82.5	56.0	113.7
Oct. 7	116.2	26.5	78.4	204.8	71.7	162.3	113.8	145.1	76.8	82.6	55.8	113.6

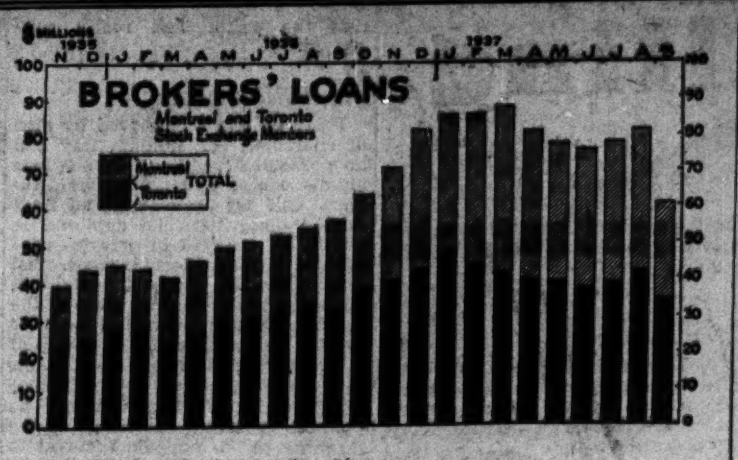
*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 12	130.13	112.93	124.38
Oct. 11	Holiday		
Oct. 9	133.21	114.91	127.50
Oct. 8	134.45	114.10	127.93
Oct. 7	138.50	116.35	130.67
Oct. 6	135.55	114.23	127.74
Month ago	149.54	112.67	147.87
Year ago	149.55	134.44	152.23
High, 1937	187.67	163.59	215.36
Low, 1937	129.55	105.83	124.10

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 12	71.0	77.2	75.2
Oct. 11	Holiday		
Oct. 9	72.8	81.5	78.6
Oct. 8	72.9	81.4	78.6
Oct. 7	73.2	83.5	80.0
Oct. 6	73.1	81.5	78.7
Month ago	74.2	91.3	85.6
Year ago	78.5	86.3	83.7
High, 1937	92.5	122.3	109.5
Low, 1937	71.0	77.2	75.2



BEHIND THE STOCK SLUMP

Sharply declining stock prices in September brought a combined reduction of $21 millions in borrowings of Toronto and Montreal Stock Exchange members on securities. The decline in borrowings reflects liquidation of margin accounts.

The combined total of $60.9 millions compares with $82 millions at the end of August, and a high of $88.1 millions last March. The September total is below the level of Oct. 31, 1936, but above the figure of $57.2 millions for September last year.

The decline in borrowings, reflecting reduction of speculative interests in the stock markets is regarded as strengthening the financial situation underlying share prices. Similarly, earlier growth of stock loans was indicative of weakening in one of the technical factors bearing on prices.

Paper Mills Apply Brakes

(Continued from page 1)

time totalled 102,932 tons (since adjusted to 101,426 tons) making an apparent visible supply of 538,752 tons.

From a survey made by The Financial Post, it is deduced that the visible supply at the end of August was not 538,752 tons, but more than 640,000 tons.

Manufacturers' stocks in warehouses totalled at least 100,000 tons at the end of August, giving the producers a total supply of more than 200,000 tons, as compared with the 102,932 tons of reported mill stocks, which hitherto have been regarded as the total supply in the hands of the manufacturers.

The returns for September, which are just beginning to come in, will show a further increase in the visible and invisible supply of newsprint.

Action is Needed

Ordinarily these excessive stocks of paper would be absorbed in the winter months and supply adjusted in a normal way.

At this time prospects are that the industry cannot afford to depend upon a normal adjustment. In the first place actual consumption of paper in the United States has been running less than a year ago. There has been no let-up in production and shipments. Advertising linage, while satisfactory, does not promise to reach any unusual proportions in the last quarter. Therefore prospects are that the consumption of newsprint between now and the end of the year will be on about the same basis as a year ago; possibly a little higher, but not enough to affect the situation.

With such limited prospects for an increase in consumption of newsprint in the United States during the last quarter, and with production running ahead on a record basis, the American supply of newsprint at the end of the year promises to reach staggering proportions and seriously interfere with the welfare of the industry.

Problem Must be Met

This new trend in the newsprint situation has been brought home forcibly to the manufacturers in the past week or two. All the upbuilding that has been accomplished in the last two or three years is in danger of being wiped out unless steps are taken to correct the situation.

Canadian International Paper's move to reduce operations to five days a week—it can be taken for granted that the closing of the mills last Monday represents more than the holiday spirit—is a recognition of the crisis facing the industry and the need for prompt action.

Others to Follow

So far there is no word of the other Canadian mills adopting a similar policy, but it is more than likely that before long the balance of the industry will decide on a five-day basis.

It will not be possible to say that this policy is a general one until the figures on October production are made available by the News Print Service Bureau. At that time the figures will show quite plainly if the manufacturers are taking cognizance of the situation by reducing stocks in the mills and warehouses through the medium of curtailed production.

A Constructive Move

A move of this sort on the part of the Canadian operators, while temporarily disturbing, will be the most important development in the industry's welfare that has taken place for some time. If production is not kept down, then the industry stands in danger of not being able to put through the announced advance of $7.50 at the beginning of the year. An abnormally large supply of paper, which is, as far as can be foreseen, bound to occur unless production is slowed down, would weaken the demand for better prices.

Dangers to Plans

Added to this is the attitude of Great Northern in respect to 1938 prices, and even the publishers themselves. In the last two years Great Northern has upset plans by announcing a smaller increase than had been anticipated by the Canadian and majority of American manufacturers. While the power of Great Northern or any other mill to set the price for the rest of the industry has been practically eliminated, still if Great Northern sets a price of less than $50 a ton for 1938, it will not be any easier for those favoring a flat increase of $7.50 a ton to put across their demands.

Naturally the publishers are doing everything in their power to prevent a price increase. Hence it is highly important for the manufacturers to have their stocks down to normal proportions by the beginning of the year. This can only be done by curtailing output. If that is accomplished the large publisher stocks will be less embarrassing than they might otherwise be.

Publishers Show Teeth

The latest move by the publishers in the fight against higher prices is set out in the current American Newspapers Publishers Association bulletin. This bulletin quotes the letter from a general manager of several newspapers to his business manager:

"I do not believe that the early price announcements of International and other Canadian companies finally determine the 1938 market price of newsprint. The market price is determined by transaction and not by announcements. So far the Great Northern Paper Co. has made no announcement, nor has given any information, of its price policy for 1938. Until it does, in my judgment, the 1938 price has not been named."

Reference is made to the loss of fine demand, saying that if the publishers conserve newsprint by as much as 10%, that law will operate.

English Price Adjusted

The price schedule in the overseas market has been adjusted on a higher basis. It is a well-known fact that the English manufacturers were caught on long-term contracts at a fixed price. While the publishers might have held the manufacturers to their contract, they have agreed to a revision in contract prices. Instead of £10 per long ton, the English publishers have agreed to pay on present contracts £11.10, while all new contracts call for a price of £14 per long ton. On the basis of a short ton and taking the pound at $4.95, the new rate accepted by the contract holders amounts to $51.13 a ton, while new business is on a basis of $62.25 a ton. The price of newsprint in other overseas markets has been advanced substantially this year.

The United States market accounts for about 80% of the Canadian production, so that an upward price there is of the greatest importance to Canadian producers.

U. S. Advertising Linage Records Gain in August

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 American key cities, as compiled by Media Records and published by Editor and Publisher, showed a sharper gain in August than had been expected. Linage for the month totalled 103.7 millions as compared with 99.2 millions in the same month a year ago, an increase of 4.6%.

A breakdown of the returns shows 79.9 million lines of display advertising in August as against 76.6 million lines in August a year ago. Classified linage totalled 23.7 million lines, compared with 22.5 millions in 1936.

By divisions, retail, departmental store, general, and automotive advertising showed a gain in lineage this year as compared with the 1936 returns, while financial advertising dropped from 1.6 million to 1.3 million lines.

Listed Bonds

Week Ended Oct. 11

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	[illegible]	[illegible]	[illegible]	[illegible]

Consolidated Paper Corporation Limited
5½% First Mortgage Bonds
Due July 2nd, 1961
Non-interest bearing to July 2nd, 1939
These bonds are the senior security of one of the world's largest producers of newsprint paper.
Canada's newsprint industry has in prospect a period of higher prices and greater earning power, consequently the outlook for the Company and its securities is more favourable than in recent years.
Price: At the market, about 59 flat
Descriptive circular forwarded upon request.
Wood, Gundy & Company Limited
36 King Street West, Toronto
Telephone: ELgin 4321

Revenues for Dominion Up for Six Months

(Continued from page 1)

In August there was an advance of $6.3 millions.

Details of revenue and expenditure for the first six months and the month of September are given below:

Dominion Government Revenue and Expenditure

Six Months Ended Sept. 30

Revenue:	1937 $000's	1936 $000's	Change $000's
Customs duty	47,621	39,153	+8,468
Excise duty	27,374	23,413	+3,961
Excise & sales tax	84,487	65,557	+18,930
Income tax	95,415	79,575	+15,840
Post office	15,874	14,841	+1,033
Sundry	9,441	10,830	−1,389
Special	708	94	+614
Total revenue	280,920	233,463	+47,457
Expenditure:			
Ordinary	174,464	169,430	+5,034
Capital	2,001	2,550	−549
Relief	20,622	28,237	−7,615
C.N.R. deficit	29,300	28,500	+800
Harbors Board	496	348	+148
Write-offs	135	188	−53
Total expend.	227,018	229,283	+2,235
Month of June			
Revenue:			
Customs duty	8,235	6,531	+1,704
Excise duty	4,690	3,824	+866
Excise & sales tax	14,949	12,777	+2,172
Income tax	4,630	3,277	+1,353
Post office	3,270	3,140	+130
Sundry	1,061	2,574	−1,513
Special	2	18	−16
Total revenue	37,037	32,141	+4,893
Expenditure:			
Ordinary	23,890	26,313	−2,423
Capital	528	584	−56
Relief	4,122	5,470*	−1,348
C.N.R. deficit	2,000	1,000	+1,000
Harbors Board	14	36	−22
Write-offs	13	21	−7
Total expend.	30,557	33,424	−2,867

Inco Has Important Rôle As Distributor of Funds

In an article appearing in the current monthly bulletin of the Toronto Stock Exchange, Robert C. Stanley, president of the International Nickel Co. of Canada Ltd. points to the important rôle his company has taken as an employer of labor, purchaser of supplies, patron of the railroads and taxpawer Mr. Stanley cites as an example the fact that current operations within the Dominion require approximately 12,000 employees, with an annual payroll of nearly $20 millions, consume $15 millions in supplies including enough lumber to build 6,000 single dwellings of six rooms each, produce $6.5 millions in revenue to railroads and power companies and distributes a like amount in taxes and other expenditures. At the present time the company is currently paying dividends at the rate of some $30 millions per annum, the larger part of which is distributed in Canada and Great Britain.

Montreal to Boston Air Service Resumed

From Our Own Correspondent

MONTREAL. — The Montreal to Boston air service, which was resumed recently, is being operated by the Boston and Maine Airways, which is controlled by the Boston and Maine and Central Vermont Railways.

PLACER
BULOLO
PATO
Memorandum incorporating information contained in latest reports available on request.
Ask for Memorandum, P8
Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC SHERBROOKE

CANADA STEAMSHIP LINES LTD.
5% 1st MORTGAGE BONDS DUE 2nd JANUARY, 1957
We offer these bonds at the market to yield approximately 7.05.
HANSON BROS. INCORPORATED
Established 1883.
255 St. James St. W.
MONTREAL
Ottawa Toronto

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

IMPORTANT NOTICE TO BONDHOLDERS
Abitibi Power & Paper Company, Limited
Only a few days remain for Bondholders to take steps to be represented at the meeting to be held in Toronto, Canada, on October 15, 1937, to consider the Plan of Sale of Assets and Reorganization presented by the Bondholders' Representative Committee.
The Plan has the support of important British interests and of The Dominion Mortgage and Investments Association, among whose members is the great majority of life insurance companies in Canada, including The London Life Insurance Company, London, Ontario, The Mutual Life Assurance Company of Canada, and Sun Life Assurance Company of Canada.
The Bondholders' Representative Committee, elected by the Bondholders, urges the immediate cooperation of all Bondholders in time for representation at the meeting on October 15th.
Holders of Unregistered Bonds should take their Bonds to any bank or trust company; obtain a Voting Certificate; execute the proxy appearing on the reverse side of the Voting Certificate; and send the Voting Certificate and proxy either to Montreal Trust Company, Trustee, or to the Bondholders' Representative Committee, 2400 The Canadian Bank of Commerce Building, Toronto, Canada, or Room 1000, 44 Wall Street, New York City. The necessary forms of such Voting Certificate and proxy and for such temporary deposit of Bonds can be obtained from the Bondholders' Representative Committee at either of said addresses.
Bondholders' Representative Committee
By JOSEPH P. RIPLEY, Chairman
Toronto, Canada

No Agreement Reached On Winnipeg Franchise

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. and the City of Winnipeg have not reached any agreement as yet in regard to the request of the company for either a new or some modification of the present street railway franchise.

Early this year the company asked for abolition of the 5% gross earnings tax and modification of charges levied on the company for paving and snow removal. In consideration of concessions the company offered to spend $1.5 million during the next five years on a programme of rehabilitation, including repairs to several car routes and the purchase of new buses.

It is reported the company may tear up its rails except on main arteries and replace the street cars with buses, unless some action is taken by the city to reduce paving charges.

Stratford, Ont.—The city reports collection of current taxes of $405,958 at the end of August, an increase of $2,774 over the corresponding period of 1936. Arrears collected in the first eight months of 1937 were $116,023, up $7,137 over 1937. Total improvement in tax collections has been $9,910 to Aug. 31, 1937.

TENDERS. School Municipality of La-Tuque, county of Laviolette

Public notice is hereby given that sealed tenders and endorsed "Tenders for Bonds" will be received by the undersigned until 8 o'clock P.M., Monday, October the 25th, 1937, for the purchase of an issue of bonds of the Board of Catholic School Commissioners of the parish of La-Tuque, county of Laviolette, dated October 1st, 1937, for $80,000.00, bearing interest at the rate of 4% per annum, redeemable serially on the date, that is from 1938 until 1952, and in the amounts hereinbelow set forth:

1938	$ 5,000.00
1939	5,000.00
1940	5,000.00
1941	1,300.00
1942	1,400.00
1943	1,500.00
1944	1,500.00
1945	1,600.00
1946	1,700.00
1947	1,700.00
1948	1,800.00
1949	1,900.00
1950	2,000.00
1951	2,000.00
1952	46,600.00

Semi-annual interests payable October and April the First of each year. Capital and interests payable at the Royal Bank of Canada at Montreal, Québec and La-Tuque. Each tender must give a price for the said bonds, and be accompanied by a certified cheque equal to 1% of the amount of the issue. The tenders must specify whether the accrued interest is included or not in the price of the tender. The School Commission does not obligate itself to accept the highest nor any of the tenders.

The said tender shall be opened at a meeting of the Board of Commissioners on Monday, October the 25th, 1937, at 8 o'clock P.M.

Dated at La-Tuque, October 7th, 1937.

ALPHINDOR ROY, Secretary-Treasurer.

Ballyhoo Sold

the use of a new fleet of buses to the people of Montreal. The ideals of a live transportation manager are told in the October issue of Bus and Truck Transport.

Beer is big business. A Canadian brewer put a Russian count to work. Now his trucks make the public gasp, and his drivers get fan mail. An unusual story, modern as tomorrow.

All the mechanical specifications on all the trucks — a big, newsy news section — a dozen other features of reader-interest and value are in the October issue of

Bus and Truck Transport

481 University Ave., Toronto, Ont.

HOW'S YOUR M.P.G.?

Everybody's interested in more miles per gallon. Canadian Automotive Trade continues to lead with the latest news about those mysterious carburetors everyone's waiting so impatiently for, with another exclusive story in the October issue.

And on top of that there's more new cars to look at and study up, a study of crooks in the garage business, a big news section on the doings here and abroad with many unusual pictures; a dozen pages of real service data.

Run your car on wood! No, it's not a joke or a dream. Canada's part in this world development is reported in the October issue of

Canadian Automotive Trade

481 University Ave., Toronto, Ont.

Canadian Industrial Opportunities

Finest Harbour on Great Lakes

MIDLAND, CANADA

Write: W. C. Atkinson, Commissioner, Midland, Ont., Chamber of Commerce.

CHAMPION MORTGAGE

CORPORATION — LIMITED

EDMONTON VANCOUVER CALGARY VICTORIA SASKATOON REGINA

WRIGHT HENDERSON & Co., Ltd.

Investment Securities

Telephone MA 6367

231 St. James St. W. Montreal

John Graham & Company

Investment Dealers

Ottawa

Bond Markets

Abitibi Bonds Provide Chief Interest in Week

In Spite of Lower Volume, Bond Financing This Year Has Strong Features — South American Bonds in Brief

With the meeting of bondholders of Abitibi Power & Paper Co. scheduled for Oct. 15, the 5% bonds continue to provide a large share of what little activity is evidenced in the Canadian bond market. Prices, however, are practically unchanged as a result of the past week's trading.

Although volume of trading continued extremely light, the better grade industrial and public utility issues maintained their prices well in the face of weakness in the stock exchanges. Other more speculative issues moved generally in accordance with the fluctuations of stock prices.

Figures published in The Financial Post of Oct. 9 showed that bond financing by Canadian governments and corporations in the first nine months of 1937 was $106 millions lower than for the corresponding period of 1936 but there are at least two encouraging aspects.

Rising revenues and lower relief costs have improved the budget positions of the various governments, Dominion, provincial and municipal, until their requirements for new capital were only $49.2 millions in the 1937 period, about 58% of that for the same period of 1936.

On the other hand new capital raised by corporations was $46.8 millions in the nine months of 1937 against $10.4 millions in 1936. Some improvement in business confidence and the ability of corporations to obtain funds may be indicated by this but this movement has not yet gone far enough to place recovery in Canada on a very sound footing.

It is hard to say how much the weak security markets of the past few months have had to do with the lower volume of financing done in 1937 but it is probable that this has held back a considerable volume of both refunding and new capital issues, particularly by corporations.

The increase that has taken place in new capital issues by corporations and the advances in volume of commercial loans by chartered banks are probably bringing closer the time when a definite rise in interest rates will take place.

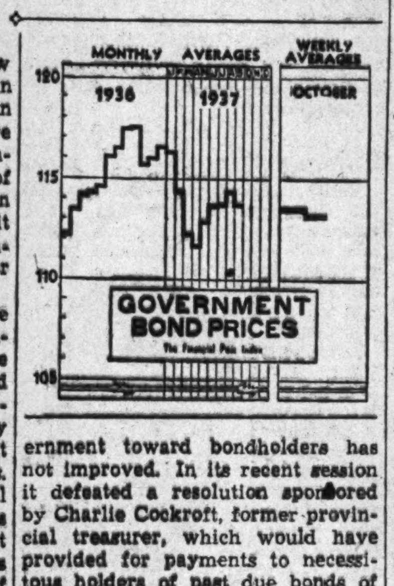
Banks and Bonds

Comparison of the amount of new bond financing with the increase in the security holdings of Canadian banks indicates that the banks have played a smaller part in 1937 in financing the capital requirements of governments and corporations than they did in 1936. Furthermore, it appears that the liquidation of high-grade bonds by the private investor has stopped.

It will be recalled that in 1936 the increase in security holdings of Canadian banks was greater than the total amount of new capital raised by Canadian governments and corporations. Thus, the banks not only financed all new requirements but absorbed bonds from other sources.

The total amount of new capital raised by Canadian governments and corporations during the first nine months of the current year was $96 millions. Security holdings of the chartered banks and the Bank of Canada, on the other hand, have increased only $70 millions. In the corresponding period of 1936 the amount new capital raised was $95.7 millions, while the increase in security holdings of the banks in that period was $280 millions. This indicates that liquidation of bonds from various sources has stopped and that investors other than banks are taking up a larger proportion of new issues than they did last year.

One of the reasons for the lower rate of increase in the security holdings of the banks is the rising tendency of commercial loans.



Bond Index

In a quiet but firm market, prices and yields of high grade Government bonds are slightly lower over the past week. Actual movement of The Financial Post index of high grade Government bonds follows:

Average Price and Yield For Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Oct. 12	113.45	3.239	Oct. 9	115.82	3.148
Oct. 8	113.46	3.259	Oct. 8	116.09	3.125
Oct. 7	113.48	3.256	Oct. 7	115.98	3.140
Oct. 6	113.44	3.258	Oct. 6	115.39	3.104
Oct. 5	113.52	3.255	Oct. 5	116.61	3.074
Oct. 4	113.51	3.256	Oct. 3	116.61	3.074
Year's	3.206	116.81	Year's	117.91	2.968
Range	3.505	111.60	Range	111.50	3.507

Alberta Bonds

In the confusion arising out of its banking legislation, which was disallowed by the Dominion Government, the Alberta Government appears to have forgotten about its plan for the settlement of the funded debt of the province. Last May it was stated that such a plan would be announced shortly and with this in view the registration of bondholders was undertaken. Nothing has been heard of the scheme for several months.

However, the attitude of the Government toward bondholders has not improved. In its recent session it defeated a resolution sponsored by Charlie Cockroft, former provincial treasurer, which would have given power to make payments to necessitous holders of past due bonds of the province.

South American Bonds

Readers of the series of articles on South American countries, which ran in The Financial Post recently, should be interested in the comment on these bonds by a writer in The Investors' Chronicle, London, Eng. From the standpoint of the speculator in bonds, Argentina issues are of no interest because of the high credit standing of that country. This writer also ranks Uruguay well up in the scale and giving only modest prospects for appreciation. Next he places Brazil and Chile, with the weight of preference on the side of Chile from the speculative point of view. On the basis of expected higher copper and nitrate output it is hoped that Chile's debt payments will be at least 1.5% for 1937 compared with 0.605% for 1936.

As for Colombia and Peru, the writer admits that security is least but suggests that this factor leaves greatest attraction for the speculator. Both have the ability, he says, to pay but neither is willing. In the case of Peru, the Government is opposed by the powerful American Popular Revolutionary Party, a radical anti-foreign organization, and no matter how willing its hands are tied. Colombia, which has persistently turned a deaf ear to suggestions that some settlement be made with foreign bondholders, still offers some prospects of a settlement and therefore a certain speculative attraction.

On the four vital counts of public finance, supply of foreign exchange, political situation and willingness to pay, South American countries are ranked in The Investors' Chronicle, as follows:

	Public Finance	Foreign Exchange	Political Position	Will to Pay
Argentina	Sound	Ample	Secure	Certain
Brazil	Obscure	Nearly adequate	Fair	Fair
Bolivia	Bad	Negligible	Complex	Unknown
Chile	Satisfactory	Inadequate	Fair	Fair
Colombia	Sound	Fair	Fair	Nil
Peru	Sound	Enough	Not free from danger	Uncertain
Uruguay	Fair	Enough	Secure	Good

Court Battle Next Hurdle For Abitibi

Ontario Govt. Sanction Also Needed Before Reorganization

Following the bondholders' meeting this week, the plan of the Bondholders' Representative Committee for reorganizing Abitibi Power & Paper Co. will face the hurdles of the Supreme Court of Ontario and the Court of Appeal.

The first decisive phase of the court battle over Abitibi will take place Oct. 25 when Mr. Justice Kingstone will hear the application of R. S. McPherson, liquidator of the company, to declare void the Abitibi bond mortgage. The questioning of the validity of the mortgage is part of the defense against foreclosure proceedings of Montreal Trust Co., the trustee for Abitibi bonds. The trustee is also responsible for conducting the judicial sale proceedings under which the Rperesentative Committee's plan is being conducted.

Direct application to the Supreme Court for sanction of the reorganization plan will accompany the argument over the mortgage in litigation which is expected to be prolonged.

Under the Ontario Judicature Act, as far as the 1935 amendment has been interpreted, it is necessary to have 50% of all bonds represented, and then over 50% of those in favor to adopt such a reorganization as has been proposed by the Representative Committee. If passed by bondholders, in addition to the sanction of the courts, the plan is subject to approval of the Ontario Government.

As has been the case through most of the debate over the Abitibi reorganization, recent criticism of the Representative Committee's plan has been directed chiefly toward the amount of $14 millions of bonds to be created senior to the present securities.

Drayton Proposals

Among the latest moves in opposition to the Representative Committee's plan, the Drayton committee has published an alternative providing:

For each $1,000 bond—$750 of 5% first mortgage bonds; $475 of 5% convertible second mortgage bonds; 5 shares of new common.

For each 7% preferred—6½ common shares and rights to buy five more.

For each 6% preferred—4½ shares plus right to buy three more.

For each common—1/5 new share.

For each 10 common shares— five new shares and rights to buy another three.

Merits claimed for this proposal are that it eliminates the prior lien; and that it reduces the total debt and the proportion of the debt bearing fixed interest.

G. T. Clarkson Reports

G. T. Clarkson, receiver and manager of Abitibi, has issued a carefully impartial report on the present position of the enterprise.

Mr. Clarkson reports that engineers advise that no further consideration be given to rehabilitation of the plant at Sturgeon Falls as a newsprint mill and if it is operated as a sulphite pulp mill it would not be profitable. It is estimated that at a market price of $74 per ton of bleached sulphite the return on the capital expenditures would be less than 10% per annum. Because circumstances surrounding rehabilitation to the Espanola mill are similar, engineers also advise against reopening this mill.

Shipments and Costs

Mr. Clarkson estimates shipments of newsprint for 1937 at between 480,000 tons and 490,000 tons, including 52,800 tons sold to other manufacturers or for casual overseas shipment. Present indications are that shipments for 1938, including those of G. H. Mead Co., will exceed 500,000 tons, exclusive of sales to manufacturers; it is expected that sales for the first two months of 1938 will be somewhat reduced owing to excess supplies expected to be in the hands of customers at such time.

Company officials estimate that costs of production of newsprint and bleached sulphite pulp for 1938 will be increased at least $2 per ton, Mr. Clarkson states.

Earnings, Production

If earnings for the last six months of the current year continue at the same rate which applied in July and August, 1937, they will amount to about $3,130,719, before depreciation, bond interest, cost of reopening mills, income taxes and year-end adjustments. Earnings for G. H. Mead, available for dividends to Abitibi, are expected to be approximately $75,000 for 1937. Earnings of Provincial Paper Co. for 1937, available for dividends to Abitibi, are not likely to exceed $100,000 to $125,000, Mr. Clarkson reports.

Because of uncertainties as to future annual sales, prices and costs, Mr. Clarkson makes no attempt to estimate future earnings.

Production for 1937 of bleached sulphite pulp will amount to about 63,000 tons and 12,000 to 14,000 tons of unbleached sulphite will also be produced. If business conditions continue to improve, sales of newsprint will be higher in 1938 than in 1937 and sales of bleached sulphite pulp, of an improved grade, will be slightly less.

Working Capital Needs.

Having regard for the increase in cost of production, increased inventories and credits required to be given to customers, officials of the company and the receiver and manager estimate that the company can operate satisfactorily in 1938 with a working capital of $9,000,000 providing it borrows from its bankers for peak needs.

Mr. Clarkson calculates that the company would have $9.2 millions available, in addition to working capital, under the reorganizing plan of the Bondholders' Representative Committee. This extra money would be available to pay costs of borrowing new money, costs of receivership and reorganization, and to provide for improvements estimated to cost $6.3 millions.

The Clarkson report also calculates that under the liquidator's plan for reorganizing the company there would be approximately $5.3 millions, besides working capital available to pay the various costs and for improvements.

Victoria Plan Needs 51% Bonds

A letter is being sent to holders of debentures of the City of Victoria by the debenture holders' committee outlining the refinancing plan which has been arranged for the city and asking for acceptance of the plan by debenture holders. For the plan to become effective it is necessary for holders of 51% of the city's debt affected by the plan to signify their acceptance.

The plan provides for issue of new debentures, to mature Dec. 31, 1966, for existing debt. Interest will be payable at the same rates as on present debentures to present maturity dates and thereafter at 4½%. The new refunding debentures will be redeemable and a plan for regular retirement of principal is included. Present city securities held in sinking fund are to be cancelled.

Milling Firm Earnings Up

Western Canada Flour Earns $3 a Share on Preferred

Western Canada Flour Mills Co. reports a net profit of slightly over $3 a share on the 6½% preferred in the year ended July 31, 1937, compared with $1.59 a share in the preceding year. The improvement in earnings is reflected in a gain of some $81,000 in working capital.

The balance sheet shows substantial increases in current assets and current liabilities. In explanation, D. B. Hanna, president, states that in view of large reductions of stocks of wheat in Canada and uncertainty in regard to this year's crop it was considered necessary to carry a larger inventory of wheat. This, he adds, is reflected in turn in the increased bank loan, which was $1,942,000 at July 31.

Mr. Hanna states that the early months of the company's year were more favorable than in the preceding year. In later months, however, it became increasingly difficult to effect export sales, due to higher wheat prices and wide fluctuations. The company, he says, has maintained its domestic volume but in common with the industry has suffered a loss in export sales.

Bakeries and Salt

Operating results in the baking division were satisfactory in the first nine months of the year, says Mr. Hanna, but in the last three months were affected adversely by higher costs of materials.

Referring to the company's subsidiary, Dominion Salt Co., Mr. Hanna states conditions in the salt industry continued unsettled with low prices but that some stability may be brought about in the near future.

On the outlook, Mr. Hanna comments that Canadian wheat prices are being held at a substantial premium above world prices and this is a serious obstacle in making export sales.

Mr. Hanna makes no reference in the report to dividends on the preferred stock. Last year he commented that it would be necessary to increase working capital further before directors consider the question favorably.

Comparative figures follow

Income and Surplus Account
Years Ended July 31

	1937 $	1936 $
Operating profit	205,238	177,862
Less: Depreciation	93,297	*139,461
Res. doubtful accts.	29,332	......
Prov. for inc. taxes	10,000	......
Net profit	72,608	38,401
Add: Previous surplus	294,616	816,216
Trans. from gen. res.	......	125,000
Less: Spec. invest. res.	......	597,000
Spec. res. deprec. & doubtful accts.	......	88,000
Surplus forward	367,222	294,616

*Including reserve on accounts receivable.

Working Capital

	1937 $	1936 $
Current assets	3,439,790	2,145,985
Current liabilities	2,739,349	1,526,483
Working capital	700,441	619,502
Ratio	1.25—1	1.41—1

Essex Utilities Has Fiscal Agent

C. W. McDiarmid to Act for Windsor Utilities Commission

C. W. McDiarmid, who acted as fiscal agent for Windsor in its refunding plan, has been appointed to act in a similar capacity for the Windsor Utilities Commission in connection with the refunding of the Essex Border Utilities Commission's debt.

Mr. McDiarmid will draw up a plan for refunding the Essex Border Utilities Commission's debt consisting of approximately $3 millions of debentures and $200,000 in loans from the Canadian Bank of Commerce. Any plan which he prepares will be presented to the Windsor Utilities Commission and the Ontario Municipal Board for approval.

About 65% of the debt of Essex Border Utilities Commission has been taken care of in the Windsor refinancing plan but the shares owed by Riverside, Tecumseh, Sandwich East, Sandwich West, Sandwich South, La Salle and Ojibway have still to be settled before a final refunding is possible. All of these muncipalities, with the exception of Ojibway, are in default. The Province of Ontario has agreed to accept responsibility for Ojibway's share of the debt.

It will be necessary to wait until the ability of the defaulted municipalities to pay has been determined before a final plan for Essex Border Utilities Commission can be devised.

Bissell Plans To Reorganize

Fleury Purchase Combined With Scheme on Arrears

A plan for recapitalization of T. E. Bissell Co., Elora, Ont., and elimination of arrears on its 7% preferred shares, involves acquisition of J. Fleury's Sons Ltd., Aurora, Ont. The combined firms would be named "Fleury-Bissell Co. Ltd." Shareholders are to meet Oct. 28 to consider the proposals.

The plan proposes issue for each Bissell 7% preferred share, with $45.50 a share of arrears, 1¼ shares of new 5% preferred stock and one common share. This would give 2,522½ new preferred shares and 2,018 new common shares to holders of the Bissell 7% preferred.

Holders of the present Bissell common would get share for share, or a total of 10,165 new common shares.

H. G. Pepall, Toronto, would receive 50 new preferred shares for services in connection with the purchase of Fleury's.

The new preferred would be convertible into common stock, one preferred for four common until Dec. 1, 1941, and then one share for three up to 1945.

Deal For Fleury's

The Fleury firm would turn over to the new company $190,447 of net quick assets and plant and equipment valued on its books, after depreciation, at $114,490. The new company would pay for these assets the following: $34,447 in cash; $65,000 in 5% debentures; 1,000 shares of 5% preferred and 3,000 shares of common stock. The debentures would be convertible into common stock, $100 for four shares.

Upon the exchange of stock in T. E. Bissell Co. and issue of securities for Fleury's, the outstanding capital would be:

Fleury-Bissell Co. Capital

5% debentures	$65,000
5% preferred, $100 par	3,572½ shs.
Common, no par value	15,183 shs.

Annual interest on the debentures would be $3,250 and preferred dividends $17,860. H. C. Hatch, Bissell president, comments that it is the belief of directors that with savings in overhead and steadier operations throughout the year the total of $21,110 for interest and dividends should be available from the inception of the reorganization.

Mr. Hatch states directors have deferred capital reorganization of Bissell until some means could be devised of stabilizing and increasing earnings. He says the company's lines, which are chiefly disc harrows, can be sold only in a short period of the year. He says directors believe the defects will be overcome by the acquisition of Fleury's. The Fleury products are principally plows and feed grinders.

Bissell Earnings

T. E. Bissell Co., Elora farm implement firm, reports substantial improvement in earnings for year ended May 31, 1937. Net profit amounted to $4.53 a share on the 7% preferred compared with 10 cents a share in the preceding year.

Stating that prior to 1930 western Canada provided about 65% of the company's market, Mr. Hatch says it has been necessary in later years to depend to a greater extent upon eastern Canada and export trade. Inventories and receivables, he states, are in good condition and adequate provision has been made against possible losses.

Improvement in working capital reflects the major portion of the operating profit for the year.

Comparative figures follow:

Income and Surplus Account
Years Ended May 31

	1937 $	1936 $
Operating profit	16,125	*4,009
Less: Depreciation	5,349	3,764
Income tax res.	1,635	37
Net profit	9,141	208
Previous deficit	26,744	26,952
Deficit forward	17,603	26,744

*After executive fees of $4,000, no directors' or legal fees were paid during the year.

Working Capital

	1937 $	1936 $
Current assets	143,190	131,613
Current liabilities	16,223	19,366
Working capital	126,967	112,247

Direct Private Wire Facilities to

New York Montreal Winnipeg Calgary Vancouver

J. R. Timmins & Co.

MEMBERS:
NEW YORK STOCK EXCHANGE
TORONTO STOCK EXCHANGE

NEW YORK 61 Broadway
TORONTO 347 Bay Street Tel. *ADel. 8132
MONTREAL Royal Bank Bldg.

Dominion Stores Sales Up 2.16%

Latest Period Improves on Showing of Three Preceding Periods

An increase of $32,064, or 2.16%, is shown in sales of Dominion Stores Ltd. for the four-week period ended Oct. 2, 1937, as compared with the corresponding period of 1936. The company operated 476 stores in the 1937 period, a reduction of 15 from the 491 stores operated a year earlier.

For the 10 periods ended Oct. 2, 1937, total sales have been $94,566, or 0.64% greater than in the corresponding period of 1936.

The increase in sales reported for the latest period is a reversal of the trend shown for the three preceding periods, each of which had made a less favorable showing than a year earlier.

Comparative sales figures follow:

Monthly Sales
(Subject to final adjustment)

Four week period ended:	1937 $	1936 $	Incr. %
Jan. 23	1,457,927	1,413,478	3.14
Feb. 20	1,474,990	1,452,088	1.58
Mar 20	1,544,860	1,513,367	2.08
Apr. 17	1,547,273	1,510,802	2.41
May 15	1,515,533	1,517,152	*0.11
June 12	1,503,639	1,463,362	2.77
July 10	1,500,204	1,511,080	*0.72
Aug 7	1,452,738	1,484,723	*2.15
Sept. 4	1,399,045	1,467,763	*4.66
Oct. 2	1,519,101	1,487,037	2.16
	14,915,510	14,820,944	0.64

*Decrease.

Bond Sales

Cobourg, Ont.

The town of Cobourg has sold $6,649 of 3%, 10-installment debentures to J. L. Graham & Co. The price has not been announced.

Bain Absorbs Exchange Firm

Williams, McLean & Bell Clients Are Protected

Williams, McLean & Bell, Toronto Stock Exchange firm, was suspended by the managing committee of the exchange last week and in the three days of the Thanksgiving week-end Bain, Pooler & Co., also an exchange member firm, arranged to take over the offices. It is stated there will be no inconvenience to clients of Williams, McLean & Bell.

The suspension is generally attributed to the surprise audit on Sept. 20 of exchange members' accounts. It was the first mid-month audit ever made by the exchange although semi-annual audits of members' accounts have been made for nine years.

Announcement of Suspension

John M. Godfrey, Ontario Securities Commissioner, authorized the official statement of the suspension as follows:

"The managing committee of the Toronto Exchange has suspended the firm of Williams, McLean and Bell. With the consent of the partners in the firm, Fred Page Higgins has been authorized to liquidate the business. This has been done in order to secure payment in full to all clients and creditors.

"Mr. Higgins, the auditor of the firm, states that from his examination of the books of the company, in his opinion clients and creditors will be paid in full."

Officials of the exchange are pleased that the audit permitted quick action and protected creditors and clients against loss. Audits can be ordered, without the knowledge of the full managing committee, by the president and vice-president of the exchange, or by the president alone. Norman C. Urquhart, the present president, is given credit for the change of date for the recent audit.

Bond Tenders

12 noon, Oct. 14, Dominion of Canada Treasury Bills—$25,000,000, dated Oct. 15, 1937, due Jan. 14, 1938. Bank of Canada, Ottawa.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ford Hotel	†6%	1947	Nov. 1	101
Port Royal Pulp	5%	Serial	Nov. 1	101
Riordon Pulp	‡6%	1942	Dec. 31	105

For sinking fund purposes: †$10,000. ‡$59,000.

Important Notice

to

Holders of Abitibi First Mortgage Bonds

and/or

Certificates of Deposit

If the Ripley Plan of reorganization is adopted you will sacrifice your First Mortgage position.

For each $1,000 First Mortgage Bond held by you, you will receive—

$500 in Second Mortgage Convertible Bonds (to be dated July 1st, 1937)

$700 in Unsecured Convertible Debentures (to be dated July 1st, 1937) Non-cumulative for ten years

5 shares of Common Stock

To prevent this sacrifice you must take immediate action to attend the meeting at the Royal York Hotel at 11 a.m. Friday, October 15th, either in person or by proxy and vote against the Ripley Plan.

The Abitibi Bondholders' Defensive Committee has prepared a plan for modifying the Ripley scheme of reorganization—

1. By eliminating the Prior Lien.
2. By reducing the total funded debt.
3. By reducing the amount of fixed interest bearing debt.
4. By giving all First and Second Mortgage Bonds to present bondholders.
5. By reducing the number of Common shares.

Under this Plan the bondholders receive for each $1,000 bond now held—

$750 in new First Mortgage Bonds (dated December 1st, 1937)

$475 in Second Mortgage Cumulative Income Convertible Bonds (dated December 1st, 1937)

5 shares of Common Stock.

Further particulars of this Plan will be furnished on request, also full particulars as to how to vote either in person or by proxy.

If you are unable to attend the meeting in person the Defensive Committee is prepared to act for you.

Communications should be addressed to Sir Henry L. Drayton, Room 602, 112 Yonge Street, Toronto.

BONDHOLDERS' DEFENSIVE COMMITTEE

H. L. Drayton, *Chairman*

Quick action is necessary to protect your position.

Municipal Finances

Sandwich, Ont. — An agreement has been reached between the city of Windsor and the Imperial Bank by which $133,475 of funds belonging to the former town of Sandwich and held by the Imperial Bank will be turned over to the city for payment of interest on former Sandwich bonds. This money had been held by the bank since Jan., 1936, for payment of debts owed to the bank by the former town of Sandwich. It will be used to pay the proportion of unpaid interest on Sandwich debentures which will be distributed under the refinancing plan.

Hull, Que.—The city's plan to borrow $200,000 to purchase materials for the public works plan has been approved by the Quebec Municipal Commission.

Saint John, N.B. — The common council has authorized arrangements for a loan of $10,000 to the Power Commission of the City of Saint John, payable by a bond issue. Plans call for an issue of 10-year serial bonds.

Calgary, Alta.—Gross relief expenditures for the first eight months of 1937 have been $1,010,203 against $1,057,565 in the same period of 1936, a reduction of $47,362. The city's share of the 1937 expenditures have been $482,203 compared with $475,565, the higher share in 1937 being due to reduced grants from the province. It is expected that the city's appropriation of $751,195 for 1937 relief costs will be sufficient to meet all requirements.

The municipal electric light and street railway departments have earned a joint surplus of over $9,000 in the first eight months of 1937. The electric light department reports a surplus of $28,525, while a loss of $19,600 is shown by the street railway. The street railway loss is caused by expansion work, as revenues and passengers carried have been above the comparative period of last year.

Ottawa, Ont.—Total cost of relief has been $1.2 million in the first eight months of 1937 compared with $1.4 million in the corresponding period of 1936, a decrease of 14.41%. The city's share of relief costs for the eight months of 1937 has been $777,193 compared with $924,798, a decrease of 11.67%. Number on relief was 13,030 at the end of Aug., 1937, compared with 19,077 in Feb., 1937, and 15,998 in Aug., 1936.

Rockcliffe, Ont.—Tax rate for this Ottawa suburb has been set at 32.2 mills for public school supporters and 38.9 mills for separate school supporters, an increase of 5.4 mills and 8.1 mills respectively. This rate is the highest in the history of the village and is based on an assessment of $2.6 millions.

Edmonton, Alta.—Total tax collections have been over $2,991,000 to the middle of September this year. In 1936 the total current tax levy was $3.8 millions but the 1937 levy will be smaller as the tax rate was reduced one mill to 54 mills, giving effect to savings expected to result from the refinancing plan now being considered by debenture holders.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

THE FINANCIAL POST BUSINESS YEAR BOOK, YEARLY, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.
THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES, HALF YEARLY, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for individually selected investor's service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.
THE FINANCIAL POST SURVEY OF CANADIAN OILS, YEARLY, $1.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2.
Founder and Chairman—JOHN BAYNE MACLEAN
President—HORACE T. HUNTER
Vice-President and General Manager—H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager: John E. Langdon, Eastern Editor.
GREAT BRITAIN, London—Resident representative, J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1, Telegraphic Address, Atabek, Lesquare, London.

TORONTO, OCTOBER 16, 1937

The Financial Post's Platform for Canada

1. Balanced budgets.
2. Abolish politics in C. N. R.
3. Merit system in public service.
4. Freer foreign trade through Empire preferences and foreign treaties.
5. Stable tariffs for balanced development.
6. Stricter laws to protect investors.
7. An even break for Canadian national newspapers and periodicals.
8. A modernized constitution.
9. Integrity in meeting public obligations.
10. Wider markets for our farms.

Dropping Trade Barriers

ANNOUNCEMENT of the new Australia-New Zealand trade pacts the other day raises an important question affecting the current status of Canada's foreign trade relations.

It draws attention to the fact that in a great many cases our trade has reached a point where further concessions on the part of Canada seem necessary if we are to hold present gains and look to further sales of our goods abroad. With both Australia and New Zealand our trade was one-sided and it was necessary for Canada to make new concessions to retain present benefits.

This is a point of view that has not been palatable in Canada or in any country with high tariff barriers. Under the present administration at Ottawa much has been done to restore foreign trade by reciprocal trade pacts and evidence is not lacking to show the success of such a policy. That more concessions may still be necessary is the considered view of many who point to the fact that whereas value of exports in the fiscal year 1937 crossed the billion dollar mark, compared with $1.1 billion in 1930, our 1937 imports were only $672 millions compared with $1.2 billion in 1930.

A consistent exponent of this view is R. J. Deachman, M.P., who stated recently:

"We have gone as far as we have gone since 1933 because we have removed some of the obstructions to trade. We can go as much farther as we want to go by continuing more rapidly along the direction we have started."

It is not only Australia and New Zealand who are hammering at our door for freer entry. The same is true of Cuba, The Netherlands, Belgium. The answer, of course, is not always easy to find. Canada has been negotiating with Australia and New Zealand for months on end to reach a happy compromise. It took many months of hard work and intense negotiation to broaden our trade pact with United Kingdom prior to the expiry of the Ottawa agreement, which, in the eyes of Great Britain, drove a hard bargain as far as the Canadian market was concerned.

It is none the less a job that is well worth doing. If it is well done it can open the way to an expanding export trade for this country without undue damage to Canadian manufacturers and producers. In fact, Canadian manufacturers are intensely interested in the drive to open up new export markets.

Dictatorship in Alberta

MOST people have been of the opinion that anything even remotely approaching a dictatorship would be impossible in Canada, yet Alberta is moving in that direction.

Not only has the Aberhart Government again attempted to invade the legislative field of the Dominion Government and to deny the people of Alberta free access to the courts, but it has also challenged the freedom of the press.

Freedom of the press is a fundamental democratic principle and the action taken by the Aberhart Government to control the press is similar to the policies of such dictators as Hitler and Mussolini.

Premier Aberhart claims that no attempt is to be made to muzzle the press, but that the Government merely wishes to guard against the publication of false news. The text of the bill, however, reveals otherwise. It is a deliberate attempt to force the newspapers to become propaganda agents of the Government and the Social Credit party. Furthermore, any individual injured by such action is to be denied the protection of the courts since Government statements are not to be subject to the Libel and Slander Act.

The bill gives the Government authority to suspend the license of any newspaper in the province, so the publishers will have little alternative to submitting to the dictatorship of the Government.

There are no grounds for the press legislation other than the Government's desire for propaganda agencies as suggested by Major C. H. Douglas. Premier Aberhart has never had any difficulty in securing publicity for his statements. It is doubtful, in fact, whether any other provincial premier ever got so much publicity.

The most peculiar part of it all is that Premier William Aberhart is only the nominal dictator. Affairs of the province at the present time are being bandied about among Major C. H. Douglas and his henchmen on the one hand, and party caucuses and the Cabinet on the other. The banking, press and court legislation were all suggested by Major Douglas some time ago, as is revealed by his book, "The Alberta Experiment." When the Dominion Government disallowed Alberta legislation recently, Major Douglas immediately cabled Premier Aberhart to pass "the press act." Like a dutiful servant Premier Aberhart reconvened his legislature and proceeded to carry out the instructions of his chief.

This ill-conceived move may yet prove the undoing of Mr. Aberhart et al.

Good Publicity

ONE factor which contributed in no small measure to the success of the Liberal party in the recent Ontario election was the well-planned, effective advertising campaign.

In its newspaper and periodical advertising and campaign literature the party showed an originality and punch that are notoriously lacking in most governmental or political publicity. Layouts and typography were modernized with effective dramatization, and throughout the whole campaign there was a notable absence of "conventional" treatment. The use of new techniques such as "comic strips" and the special series of "spot" advertisements which ran in sequence from day to day were especially noteworthy.

This publicity became especially effective in contrast to the nightly flood of oratory which cheapened the campaign as far as its radio effort was concerned. It was a creditable tribute to the effectiveness of the printed word.

Cash For Arrears

RECENTLY there has been a tendency for Canadian investment trusts to take more active part in negotiation and criticism of corporation reorganizations, especially where proposals have been brought forward for capitalization of preferred dividend arrears.

To the credit of leading investment trusts is the fact that where they themselves owe arrears of dividends to shareholders they are paying cash. One noteworthy example is Investment Foundation Ltd. Another is Debenture & Securities Corp. of Canada, which has just made a cash payment of a full year's 5% preferred dividend.

The investor will agree with the comment of an investment trust manager who writes to The Financial Post: "The treatment of arrears through payment in cash is certainly the fairest way when the nature of the company makes it possible to do so."

Labor Discusses Two Issues

TWO aspects of the labor relations problem which have periodically puzzled many employers — the basis of organized labor's objection to the so-called "company union" and to incorporated or legally regulated unions—are discussed in the Canadian Congress Journal, organ of the Trades and Labor Congress of Canada (international union body).

In what is almost a formal declaration of the reasons for dislike of "company unions," the journal says:

"The company union is formed by the company to prevent organization in a real union and is favored by employers because they know there is nothing to fear from such unions. It can be destroyed by the employer at any time, since he runs it. It is not a true agency for collective bargaining, since employee representatives under company union plans are required to follow the instructions of the management.

"It is limited to one shop, plant or establishment, while employers themselves are so organized on a nation-wide basis in trade associations that individual groups of employees are powerless."

The statement appears to refer primarily to a particular type of company union, a type which in Canada flourishes to a limited extent. Echoing the attitude of labor generally, the declaration inferentially lumps under the single head of "company union" all the variations of the joint plant council, employee committee and employee representative plans which are today effective in many Canadian industrial establishments. In the majority of cases where such plans are operative, there is little or no evidence to show that employees are restrained from full freedom of expression of their views, that employee units are "run by the employer" or "required to follow the instructions of the management."

On the question of incorporation of trades unions, which is urged by many employers prior to negotiation of signed agreements or contracts with unions, the Congress Journal says:

"The Trades and Labor Congress of Canada is opposed to the compulsory incorporation of trade unions. Incorporation would provide an entering wedge for the regulation of the internal affairs of trade unions, which might bring disastrous results to the workers. Trade unions, whether incorporated or not, are responsible and are not above the law.

"Employers not agitating against the signed trade union agreement demand that unions be compelled to incorporate in order that they might be sued for breaches of contract. In other words, the employers desire the compulsory incorporation of trade unions so they could keep them embroiled in the courts on any pretext and thus make them impotent."

The complaint of employers in this regard reflects no desire to engage in litigation or cripple unions, but rather to seek protection against failure of union leaders to exert control over membership and adhere to agreements. The attitude of the Journal might be interpreted to mean that union leaders are not willing to accept the consequences when undisciplined groups violate contracts.

Editorials in Brief

"Aberhart losing ground," reads headline in The Financial Post. But with three years more for his government to go, will there be any ground left in Alberta, asks the St. Catharines Standard.

• • • •

Personal Column of the Barrie Examiner reports that "Garfield Payne and Earl of Etobicoke were Sunday visitors with friends here."

Is this the quiet beginning of a Canadian aristocracy?

• • • •

A Social Credit Member from Edmonton suggests abolition of the Cabinet, and the appointment of nine house committees to facilitate "government by the people" in Alberta.

Surely a much simpler step would be to abolish Mr. Aberhart.

• • •

A major weakness of the new trade pacts with Australia and New Zealand is their short duration. They last only a year, which is too short a time for long-term business plans.

Ottawa's view is that it does not like to make commitments beyond the life of the present Government. Assuming this is the real reason, it does not sound very convincing.

• • •

The Financial Post, not attempting to assume the prophet's rôle, is not, however, without honor even in its own country.

A resident of Rapid City, South Dakota, troubled about his securities, penned a letter, and addressed it: "To the editor of any investment firm, Toronto, Canada," and then, in a side note: "Postmaster, please deliver."

The first place the postmaster tried was, of course, The Financial Post.

• • •

The Greek Minister of Education has appointed a commission to revise the Greek classics, expurgating all references to liberty and democracy. It is reported that some difficulty is being experienced with Aristotle and Plato, but it is anticipated that this will soon be solved.

Next the Commission has orders to revise Shakespeare and Shaw.

Try as he will, Mr. Aberhart cannot keep up with these European fellows.

• • •

Maritime Provinces are rapidly forging ahead in regard to highway development. The Saint John Telegraph-Journal reports that a few years ago New Brunswick had not more than a dozen miles of its 1,500-mile highway network with a hard surface.

Today nearly one third or a total of five hundred miles has been paved and sections totalling almost half that mileage are under construction or are being hard surfaced.

• • •

Another illustration of the break-down of democratic government in Alberta is the "secret" pledge signed by Social Credit members of the Legislature last August.

Members of the Legislature have promised to support any plan that might be evolved by the Social Credit Board and its "so-called" technicians and to support the legislative programme of the Government on financial matters. In other words, these members of the Alberta Legislature are no longer exercising their own judgment and have surrendered their responsibility as legislators to the Social Credit Board.

• • •

The Foreign Affairs Association of Japan has published a pamphlet on "What Happened at Tungchow." It is a wearisome tale of what the naughty Chinese troops did to the Japanese residents of the capital of the "autonomous" state of East Hopei.

Perhaps the Chinese troops were merely befuddled not knowing whether East Hopei, for whom they acted as a "Peace Preservation Corps," was Chinese, Japanese or Independent.

In the hundreds of propagandist pamphlets The Financial Post has received from Japanese sources in recent years, there has never been a line of explanation of what Japan's ambitions are on the mainland, why it has invaded Chinese territory, or what it recognizes as its own obligations to the peace of the Far East and the world at large.

Sayings of the Week

"Eugenics must be placed on a firmer foundation as a human science than it is today."—*Julian Huxley.*

• • • •

"Like a half-open spigot, worry will drain away the largest store of nervous energy."—*Sherwood Eddy.*

• • •

"An epigram is a half truth so stated as to irritate the person who believes the other half." —*Shailer Mathews.*

• • •

"Preparations for defence are as dangerous to the cause of Peace as preparations for aggression."—*A. A. Milne.*

• • •

"There is no logical consistency in what a man does with his life. I run no emotions, like everybody else."—*Clarence Darrow.*

• • •

"Compared with fifty years ago, people are living longer because they are learning better how to live."—*Henry Ford.*

• • •

"The day of building great fortunes is passing, and I'll be glad to see the submerged third get their share."—*Bernard M. Baruch.*

• • •

"On this our fate must rest—that most people everywhere, in every nation do not want war."—*Cordell Hull, Secretary of State, U. S. A.*

• • •

"Economically, matters in most Continental countries and in Great Britain seem to be very gradually improving."—*Thomas W. Lamont.*

• • •

"There is no more reason why everyone should attend a university than why everyone should learn to fly an airship." — *Nicholas Murray Butler.*

• • •

"We are in a period of trial and error in the effort to restore and stabilize normal conditions." —*Daniel C. Roper, Secretary of Commerce, U. S. A.*

• • •

"Can anyone really think that easy divorce and the weakening of the marriage tie lead to the happiness and well-being of society as a whole?"—*Bishop William T. Manning.*

• • •

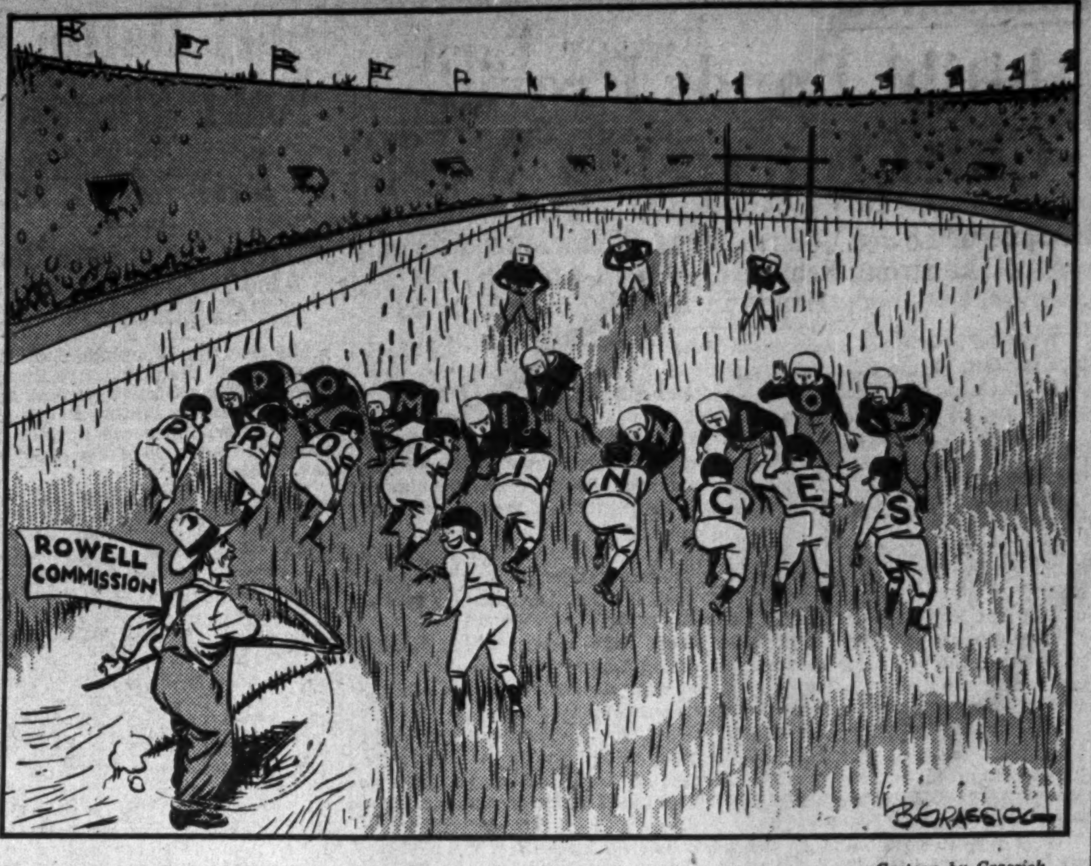
"Communism means a return to the civilization of the jungle and is an open war upon excellence and achievement of every sort and kind." — *Nicholas Murray Butler, Columbia University.*

• • •

"We must not forget that the success of business and the creation of wealth depend upon the imagination, initiative, courage and skill of executive management in dealing with consumer requirements as well as with labor factors." *Daniel C. Roper, Secretary of Commerce, U. S. A.*

• • •

"In country after country, life seems to have no organized end except that of war preparation, and nations rear their children and spend their toil for the greater upbuilding of those armaments — which may prove to be the great destroying idol." — *Cordell Hull, Secretary of State, U. S. A.*



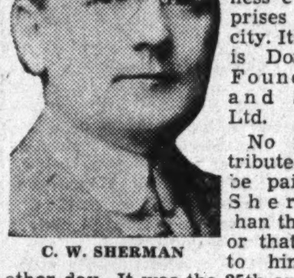
—Cartoon by Grassick.

CLEANING UP THE FIELD

Post-Scripts . . . .

Mr. Sherman Gets a Cane

In 1912 a 40-year-old steel man came to Hamilton, Ont., and started in business for himself. His name was C. W. Sherman. Today his company is one of the most thriving business enterprises in the city. Its name is Dominion Foundries and Steel Ltd.



C. W. SHERMAN

No finer tribute could be paid Mr. Sherman han the honor that came to him the other day. It was the 25th anniversary of the company and instead of the management throwing a party to celebrate the event the workmen themselves did the job to show their appreciation of their "bosses."

Some 280 workers and their wives gathered under the auspices of Dominion Foundries' Overseas Veterans Association. To C. W. Sherman, president of the company, they gave a cane. To F. A. Sherman (a brother, who joined the firm two years after its inception and is now vice-president and general manager) they gave a handsome carafe. A similar presentation was made to A. G. Wright, vice-pres. and secretary.

C. W. Sherman was born at Schroon Lake, Essex County, N.Y., about 65 years ago. His first job was telegraph operator on the railway. He soon jumped into the steel business and worked his way up through the hard, hot school of the blast furnace, the rolling mill, and the foundry. Finally in 1912 he organized his own company in Hamilton.

• • •

Hepburn History

A friend of ours has loaned us a spaciously-conceived tome about the Great Families of Scotland and calls our attention to the record of the Hepburn family.

He happens to be a Conservative who disliked the results of last week's election in Ontario and he has marked all the passages which show the Hepburns up in a bad light.

The family were noted for their "turbulence" and not infrequently for their "disloyalty." They took their share in "feuds and broils"; they were "selfish, disaffected and covetous."

It is not hard to give the Hepburn family a black name because the most famous of them, the Earl of Bothwell, was indeed an intriguing scoundrel if there ever was one. He was the black-bearded chap who married Mary Queen of Scots but eventually died penniless and in exile. All that happened over 300 years ago.

What all this has to do with the Hepburns in Canada we cannot say. It does not prove anything politically to us because we notice that two Hepburns have been elected to the Ontario house; one a Liberal and the other a Conservative.

• • •

"Man of the Week"

Had there not been an election in Ontario to focus attention upon Hon. Mitchell W. Hepburn, the "man of the week" in Canada would undoubtedly have been the lieutenant-governor of Alberta. For the Hon. J. C. Bowen broke all precedents in Canada, and became the first lieutenant-governor since Confederation to assert himself as more than a figure-head when he refused assent to Mr. Aberhart's latest batch of "Social Credit" bills.

Who ordered Mr. Bowen to take such drastic action to slow the march of dictatorship in his province? Those who are in a position to know say that he acted entirely upon his own initiative. "His Honor is absolutely fearless, and if he had a conviction that a certain course was right, nothing could turn him from it," a friend of his remarked to us.

Before the war, Alberta's lieutenant-governor was a Baptist clergyman in Edmonton. He went overseas as a chaplain and returned to go into the fire insurance business, which recalls the quip of the eminent divine in Toronto that he always felt that he, too, was in the fire insurance business when he went about saving souls. In fire insurance, Mr. Bowen was exceedingly successful. He then turned to politics and served as a Liberal M. L. A.

Both he and his wife are interested in many community and religious activities. Holding strong convictions on many subjects, they have refused to serve liquor in Government House.

• • •

Duke of Windsor

That extraordinary personality, the Duke of Windsor, has again crashed into newspaper headlines and promises to become the "man of the month" on the North American continent.

DUKE OF WINDSOR

A recent letter from Whaley-Eaton Service of Washington indicates important political implications behind the Duke's forthcoming visit to Germany and the United States and even brands it a matter of "major international importance." Apparently the Duke has by no means relinquished his connection with political affairs especially as they affect the working man.

There are two possibilities. One that the Duke may yet be the centre of a wide political split in Britain with himself on the one hand as a champion of the working man and, on the other the anti-Edward factions which received such strong championship earlier in the year from Earl Baldwin and the Archbishop of Canterbury.

Or again the Duke may yet play an important rôle as an ambassador (official or unofficial) to strengthen British connections both in Germany and the United States.

In any event it looks as if Edward of Windsor were still something more than the world's number one playboy.

• • •

Frank Hay's Habits

We wanted the other day to quote a statement made by a noble English lord in a Toronto address. The exact phraseology proved elusive. We mentioned this casually to Frank Hay, secretary of the Robert Simpson Company, whereupon he said, "Call me at my office in the morning and I'll give it to you. I jotted it down in shorthand at the time."

A little enquiry revealed that jotting down in shorthand an accurate verbatim report of a striking sentence or paragraph in a public address is a favorite habit of Mr. Hay. He has a large enough collection now to make up a book of quotations if he wanted to edit one and if he ever had time to do it. He will probably never find the time for keeping track of the several hundred bank accounts that a firm such as Simpson's needs in buying all over the world and selling all over Canada, and performing a thousand other secretarial duties for the company keeps Mr. Hay too busy.

Where he got the habit of jotting down epigrams and aphorisms we cannot say. Perhaps it dates back to his duties as a very junior reporter in Dumfries, Scotland, when he recorded the salty quips of Hon. Justice Darling and sat admiringly at the feet of his paper's London correspondent, Sir James Barrie.

Or perhaps it goes back to the days when he acted as private secretary for Sir Joseph Flavelle. Sir Joseph has long maintained the practice of keeping copies of particularly enlightening public addresses to which he has listened.

• • •

B.C.'s Pattullo

Premier T. D. Pattullo, of British Columbia, is in the East again. He has been boasting to newspaper reporters that he is ambidextrous. He says he writes and plays golf with his right hand but when he fights he always "leads out with his left."

PREMIER PATULLO

He also admits he is doing a little ambidextrous work with the famous provincial health insurance bill which has been a lusty bone of contention in the province for several years now.

Mr. Pattullo says the bill has been deferred, not abandoned. He says it will go before the 1937 Legislature which opens on Oct. 16 and that the Government may defer it until the results of the Rowell Royal Commission are available.

(Ontario's Mr. Hepburn, who has promised an unemployment insurance measure to his electors, should follow a similar policy.)

Mr. Pattullo also says his proposal for annexation of the Yukon will also be held over until the Rowell probe has made its report.

As Others See Us . . . . .

The Communistic Party
New Waterford Times

The Communistic party leaders are attacking The Financial Post for protesting against the admission of Earl Browder, general secretary of the Communistic party of the United States into Canada to address their national convention.

When one studies the murderers who rule in Russia and in Communist Spain, and Mexico where a man dare not bless himself and expect to live, law-abiding people wonder why men like Tim Buck and Earl Browder are not shipped off to a Communist paradise like Russia where they probably wouldn't talk much at all.

A Progressive Employer
Trail Times

It is obvious that in S. G. Blaylock, operating head of Consolidated Smelters, Canada has one of its most able and socially-minded business executives, remarks The Financial Post. The evidence of his success lies not only in the financial satisfactions afforded the shareholders of Cons. Smelters but in the handsome benefits granted to laborers in the employ of the company through the forward-looking character of its labor policy.

The work Mr. Blaylock is doing in setting forth the true relationship that ought to exist between industry and labor and that does exist in all enlightened industries is a work of enormous consequence to the country as a whole.

Could Aberhart Win an Election?
Drumheller Plaindealer

Since The Financial Post, on August 19, mailed its questionnaires to editors of Alberta's weekly newspapers much water has flowed under Alberta's political bridges. The majority of editors who replied to the questionnaire were convinced, at the time of writing, that an Aberhart party could be re-elected, with a substantial working majority.

Action of E. L. Gray, Liberal leader, in refusing to listen to dyed-in-the-wool Liberals, has materially changed the situation. The protest meetings organized by The People's League have demonstrated that there is, even in rural constituencies, a growing discontent toward the Aberhartian ballyhoo.

The political barometer is, however, decidedly shaky. Aberhart has temporarily shelved his promise of basic dividends for all preferring to play with what he claims to be a constitutional issue. Electors, while interested in such matters as banking control, are more concerned with immediate problems of getting bread and butter.

Did Publish It, Says Globe
The Globe and Mail, Toronto

In a friendly article on the radio address of the Publisher of The Globe and Mail, The Financial Post accuses this paper by implication of being unfair in not publishing Mr. Denton Massey's reply to our charges regarding his interview with the British Minister of Labor. We not only printed the reply, but used the complete text on this point under a front-page display, after spending two hours on the long-distance telephone and otherwise to get the manuscript which Mr. Massey had failed to provide. So The Post's criticism is unfounded.

Editor's Note.—Mr. Massey first replied to The Globe and Mail on a Monday night. The next morning The Globe ran a vigorous editorial of criticism of Mr. Massey and on an inside page gave what Mr. Massey called a "garbled fraction" of his reply. Mr. Massey repeated his explanation on Wednesday night and so far as The Post has been able to discover from its own files of The Globe and Mail, this was ignored.

Mr. Massey then gave a third speech on Thursday night attempting to set his position right. On Friday morning, The Globe and Mail gave it generous space.

The Financial Post was unjust to the Globe and Mail in not calling attention to this complete—though somewhat belated—report of Mr. Massey's speech.

In the Mail . .

The Human Touch

Editor, The Financial Post:

I was very interested in your recent editorial re "A Progressive Employer."

Mr. Blaylock's fine and human policy is along the lines of other firms who have been touched by the Oxford Group, and it is remarkable the change that has come over these firms and individuals concerned.

It is the human touch we need so badly these days in everything, our individual relations, our business relations, our national relations, and our international relations, and it is this touch, bounded by the principals taught and practised by Christ, that the group so emphasizes in its work.

Just imagine every firm being run on these principles. Labor troubles would be a thing unheard of. Mr. Blaylock has proved this. And then go a little farther and apply these principles to everything, every day, and to every individual. Is this possible? What do you think?

STANLEY YOUNG,
Peace River.

Labor in Canada

Editor, The Financial Post,

Canada is deeply concerned over her labor situation. The concern has arisen mostly as a result of the invasion by the C.I.O. and the A. F. of L. of Canadian labor rights. Since these two American-born organizations are so intent on establishing their sway over the destinies of the Canadian worker, the majority of Canadian businessmen have come to the conclusion that this country must form a labor policy that is strong enough and consistent enough to cut labor free from foreign bonds.

The main root of most of the trouble lies not so much in prejudice against American unions, but in the ambitious tactics employed by these unions to gain their ends, and the apparent inability of the Government to halt these tactics. The end these unions strive for is not the salvation of the working man, but rather their desire to dominate collective bargaining among workers, and negotiation with employers. The C.I.O., in particular, has gone to great lengths to overwhelm existing satisfactory employee-employer agreements in Canada to seize for itself all machinery. After the C.I.O. firmly established itself in this infamous rôle, the A. F. of L. is now, to save its own skin, following the same course.

A successful labor policy for Canada is a political task. Yet the support of industry and commerce is naturally necessary. If Canada wishes her labor to be free from the dominion of American unions, then it behooves her to evolve machinery so satisfactory that no outside power can throw it out of order.

Britain's labor policy is an admirable model to follow. In Britain, the labor union is not such an almighty power as it aspires to be on this continent. The effectiveness of Britain's policy lies in her recognition of arbitration and wage control. Unions and employers work together to maintain negotiation machinery which, with government support, rarely fails to smooth out labor troubles.

When strife between worker and employer shows its head, the minister of labor steps in to set up an arbitration court. The court consists of not only representatives of the union and of the employer, but also trained negotiators called upon by the government from a recognized panel. The government also co-operates to the extent of supplying technical advisers to help the court arrive at a fair, firm decision.

The decision, however, is not binding. It has never been a British principle to make decisions that arise from voluntary arbitration compulsory. But with a group so well organized, so well mannered as this court of enquiry, the decision would naturally be highly favored by both the union and the employer.

The government goes farther, also, to make these courts less and less necessary. It sponsors meetings, known as trade boards, between the unions and the employers for the purpose of setting up wage scales for the various industries. Thus, the steel workers' union and the steel trust representatives meet the government to draw up a scale of wages for the entire steel industry. In this case, the board's decision is binding upon every employer coming under it. The courts have the power, then, of moving against any employer who refuses to pay his workers according to the scale.

Because the government is an active party in both conciliation between employee and employer, and the establishment of practical wage scales, the British labor situation is almost entirely successful. Success is due, too, to the participation of the employer in deciding wage scales. The British system has so much to recommend itself, mostly because of its simplicity, that one may well wonder why there is recourse, in Canada, to such unhealthy labor practices.

Neither labor nor business nor the government can alone settle the labor problem. It is an affair conceived purely for co-operation among the three parties. Use of the British form in Canadian government naturally makes possible the system employed in Britain for solution of the problem. This is one good system that would prevail over the curious antics of both the C.I.O. and the A. F. of L.

DONALD A. C. McGILL,
Vancouver, B.C.

The Financial Post
Peel Gazette

The Financial Post is exactly what its name implies. Its constituency is found in the banks, life and fire insurance companies, lumber and pulp industries and in mining and manufacturing.

The Post is not in any sense a political journal save in so far as politics affect interests The Post so ably represents.

Stop Me If You've Heard This One . .

The Royal Bank Magazine recounts a story of a woman who entered a bank to make a deposit. She had bills and cheques which she wished to add to her balance, so she procured a deposit slip, on which, of course, was space for listing bills, specie and cheques.

To jot down the items comprising her deposit was relatively simple. Specie, however, was a sticker. Finally, after a few moments thought, she wrote the word "female" and blithely handed her deposit to the teller.

Week in Business

Mild Weather Delays Normal Fall Buying

Future Retail Trade Dependent Upon Replacement of Present Substantial Inventories—Increasing Carloadings Indicate Activity

With little or no really cold weather yet throughout the most thickly populated sections of the Dominion even normal fall buying has not developed. As a result wholesalers and manufacturers catering to the retail trade have little inkling of the extent of repeat orders.

Industrial activity of the next few months depends very largely on the replacement of present fairly substantial inventories of consumer goods. Aside from the special Christmas trade it is this replacement of ordinary everyday goods that keeps factories busy from now until mid-winter and it is the demand for these goods that is the determining factor in planning late winter and spring production schedules. So long as mild weather continues there will not be the normal demand for clothes, shoes, fuel and heavier foods that bulk so largely in the consumer demand at this time of year.

As a result decisive indications of any pronounced trend are still lacking in the Canadian business picture. This is in sharp contrast to the situation in United States where even the most optimistic observers are now reconciled to some recession.

• • • •

In the meantime the rest of the business picture remains encouraging. Carloadings of miscellaneous manufactured goods are continuing to improve steadily with a substantial gain to date over a year ago. In fact it now appears possible that the increase in this type of freight may now largely offset the loss, beginning to show, in the grain movement.

Most of this growing movement of manufactured goods is going from industrial centres of eastern Canada into those areas of Manitoba and southern Alberta, where crops have been good, into rural sections of the eastern provinces and British Columbia and into export. More cars of imported goods are rolling in from border and ocean ports of entry.

While some fear has been expressed regarding the permanence of Canada's excellent foreign trade in view of political tension in Europe and the Orient, it should be borne in mind that this trade in the last decade has become steadily more diversified both in form of goods and in destinations.

• • • •

Two weeks ago The Financial Post pointed out that no great decline could be expected in general business for the simple reason that we have not yet pulled up to a height sufficient to create any big fall. In the current business bulletin of the Cleveland Trust Co., Col. Leonard P. Ayres expresses the same opinion in regard to the American outlook. He states:

"Businessmen are anxiously wondering whether a slowing down of such proportions as to constitute a new depression may not be on its way, for they are naturally alarmed by the severity of the recent declines in security prices. The chief reason why their fears are probably unfounded is that we have not yet made a full recovery from the old depression. As far back as our American records run the per capita volume of industrial production has always risen to new high levels in each recovery period before a following depression has got under way. In 1937 the per capita volume of production is still about 17 per cent below the last high point reached in 1929. If the old rule is to remain in effect no real depression should develop in the near future, and we ought not to expect one until after production has risen to distinctly higher levels than it has as yet in this recovery. The records of the long history of the behavior of production in the business cycles of the past are entitled to a good deal of respect, for they are the products of fundamentally important conditions affecting changes in the standards of living of millions of people."

Business Indicators

D. B. S. index of business activity up for first week in October over week previous but still running more than four points behind this time a year ago when general business improvement throughout Canada was pronounced.

Carloadings for first week in October showed a small gain over the same period 12 months ago notwithstanding the smaller grain movement this fall. Increase in cumulative to date amounts to 9% and is due almost entirely to big gain in movement of miscellaneous manufactured goods and ore.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
Transportation—				
Car loadings, week (Oct. 2)	▲62,330	59,835	1,949,388	1,789,022
C.N.R. gr. earn., wk. (Sept. 30)	$ 5,877,384	$ 5,916,339	$ 146,075,596	$ 131,192,043
C.P.R. gr. earn., wk (Sept. 30)	$ 4,773,000	$ 4,670,000	$ 105,047,000	$ 99,940,000
C.P.R. net revenue (Aug.)	$ 576,613	$ 634,484	$ 9,932,228	$ 8,404,584
C.N.R. net revenue (Aug.)	$ 558,530	$ 680,581	$ 8,185,377	$ 3,242,824
Business Conditions—				
Weekly index, D.B.S. (Oct. 2)	▲110.6	114.9	......	......
Iron and Steel (August)				
Pig iron production (tons)	74,578	38,570	578,258	413,893
Steel ingots and castings prod. (tons)	126,895	80,164	962,840	727,657
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (August)	6,344	4,396	84,122	72,857
Factory output (August)	5,814	3,051	115,890	97,607
Trucks and Buses:				
Domestic sales* (August)	2,730	1,541	24,192	16,746
Factory output (August)	4,928	1,609	41,364	23,476
Exports (August)	8,802	3,449	51,416	40,263
Financing (August):				
Used	$ 3,158,216	$ 2,129,282	$ 28,177,189	$ 18,619,263
New	$ 3,179,696	$ 2,216,705	$ 31,183,770	$ 22,848,254
Construction—				
Cons. contracts (Sept.)	$ 21,715,000	$ 16,558,500	$ 178,406,900	$ 127,671,600
Production (June)—				
Cement, bbls.	753,000	559,000	2,090,323	1,629,620
Gypsum, tons (July)	125,762	132,461	503,670	371,956
Clay	$ 486,000	$ 344,000	$ 1,596,631	$ 1,260,700
Agriculture—				
Flour prod., bbls. (Aug.)	1,042,949	1,362,679	8,189,707	9,190,705
Flour exp., bbls. (August)	288,608	387,728	2,700,279	3,123,804
Wheat exp., bus. (August)	6,544,967	21,157,268	58,871,691	141,666,362
Cattle sales (Aug.)	125,781	86,675	590,314	521,380
Hog sales (Aug.)	73,754	71,674	670,841	596,264
Sea Fisheries—Aug.‡—				
Catch, cwts.	1,517,250	1,744,240	5,633,760	5,792,340
Landed value	$ 3,246,250	$ 2,949,890	$ 12,527,870	$ 11,916,880
Newsprint (tons)—				
Production (August)	318,713	270,053	2,416,016	2,033,943
Exports, tons (August)	283,128	257,576	2,219,873	1,851,919
Mining—				
Coal prod., tons (August)	▲1,222,976	1,056,032	9,359,159	9,008,929
Coal imports, tons (August)	▲1,776,400	1,539,189	9,910,831	7,961,872
Gold prod., fine oz. (July)	347,474	321,107	2,320,725	2,096,815
Nickel prod., lb. (July)	15,792,349	12,596,376	127,178,686	95,548,025
Copper prod., lb. (July)	41,710,830	28,693,176	285,315,796	234,196,697
Employment D.B.S. Index (Sept. 1)—				
All industries	123.2	107.1	......	......
Manufacturing	121.2	105.9	......	......
Electric Power Output (Aug.)—				
Total monthly m.kh.†	2,035,113	1,877,075	16,885,638	15,415,215
Trade (August)—				
Retail trade (index no. of sales)	78.7	74.6	......	......
Wholesale trade (Aug.)•	9.0	......	......	......
Dept. store sales (June)•	81.5	75.7	......	......
C'try gen. store sales (July)•	13.7	......	......	......
Imports (August)	$ 60,965,939	$ 50,257,754	$ 522,777,568	$ 397,883,401
Exports (August)	$ 103,336,590	$ 93,529,756	$ 729,286,461	$ 603,043,991
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (August)	170,017	168,440	1,203,892	1,046,385
Boot & shoe prod., pr. (Aug.)	▲2,321,489	2,002,895	16,860,233	14,711,557
Crude petrol., imp. gal. (July)	164,723,274	121,335,556	667,472,830	596,785,080
Cotton imports, lb. (July)	12,324,000	5,818,000	92,394,508	75,437,684
Raw rubber imp., lb. (July)	4,359,000	5,095,000	37,590,412	29,306,377
Cigarette cons. (Aug.) No.†	663,989	524,978	4,374,148	3,566,693
Sugar (lb.)—				
Melting & sales§ (raw)	94,160,410	82,862,963	547,166,731	580,793,073
Manufactured§	91,122,789	78,496,030	526,274,941	550,416,632
Finance—				
Bank debits (August)†	$ 2,612,058	$ 2,619,153	$ 23,519,603	$ 22,759,663
Bond sales (August)	$ 50,302,000	$ 27,613,351	$ 861,214,565	$ 850,240,391
Life insurance (Aug.)	$ 28,274,000	$ 23,547,000	$ 253,416,000	$ 236,210,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Sept. 11.
•Percentage increase over last year.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

Government, Municipal Public Utility and Industrial Securities

List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation
Limited
244 St. James Street, Montreal — 330 Bay Street, Toronto 2
Offices throughout Canada; also in New York and London. 25

Lower Tariffs Seen as Way To More Jobs

Wide Field in World Trade Open to Canada, Deachman Believes

LESSON IN PAST

If Canada can increase her world trade, imports as well as exports, by 50%, she will have no unemployment, R. J. Deachman, M.P. for Huron North, and ardent low tariff advocate, contends. In the following article Mr. Deachman presents argument for his declaration that "if we do not break down tariff barriers they will in the end break us."

By R. J. DEACHMAN

Canada has made a spectacular advance in the last five years in the field of world trade, and this advance has been made during a period when we have been removing some of the tariff obstructions.

The potentialities of this field are almost without limit. We can go as much farther as we want to by continuing more rapidly in the same direction. The barriers we have erected in the past against trade with other countries are still high. If we do not break down these barriers they will, in the end, break us.

The future growth and prosperity of Canada depends on the clarity of our vision, on our ability to see the facts and our willingness to respond to the things we know. It is not lack of intelligence which holds us back, it is lack of willingness to use the knowledge we have.

Lessons of Past

Canada's experience since 1933 has proved two things:

1. Markets can be obtained if we go after them.
2. Trade grows despite the tremendous efforts of world statesmen to check its growth.

Our foreign market is just what we make it. Trade grows if we leave the gates ajar—it contracts if we barricade entrances of the nation. If we buy we shall be able to sell—restriction of purchases will lead to a reduction of sales.

Here is the record of our trade with the world.

Fiscal Year	Imports $ millions	Exports $ millions
1929	1,265.6	1,368.2
1930	1,248.2	1,120.2
1933	406.3	528.0
1934	433.7	665.9
1935	522.4	756.6
1936	562.7	849.0
1937	671.8	1,061.1

(All figures of imports and exports in this article are in millions and fractions thereof—add five ciphers. Export figures cover exports of domestic products only 1929 was the peak of Canadian imports—only 1918 surpassed it in total Canadian exports).

It will be seen that since 1933 Canadian exports have doubled. It must be remembered that the price level now is lower than the price level of 1930. We are safe in saying that our export trade has reached a substantially higher actual volume than in 1930. Strange to say, this rapid development has been accomplished in a period in which Canada has had a comparative failure of western grain crops, with European and Oriental financial conditions presenting a tremendous handicap to the development of Canadian trade.

World Trade

Let us note now the value of our trade with the British Empire—the United Kingdom and all other British countries, and all foreign countries—that is, all outside the Empire.

EMPIRE TRADE AND FOREIGN TRADE

Fiscal Year	Imports Empire	Imports Foreign	Exports Empire	Exports Foreign
	(In millions of dollars)			
1929	247.3	1,008.3	536.0	832.2
1930	252.6	995.6	379.5	740.7
1933	120.3	286.0	222.1	305.9
1934	140.4	293.3	339.0	326.9
1935	156.2	366.2	358.2	398.4
1936	177.7	385.0	399.3	449.7
1937	198.1	473.7	495.6	565.5

These figures are significant. We have striven over a long period of years to build up markets within the Empire. We have been reasonably successful. But over 53% of our export trade is still with foreign countries. We buy from the British Empire less than 30% of our imports. It all points clearly to the fact that we ought, in our own interest and the interest of the Empire, to develop a world-wide trade, with every country, whether it is a buying market or a selling market.

The great factor in business development is to buy where we can buy to the best advantage and sell where we can sell to the best advantage. We will not expand our total trade with the Empire by restricting our trade with foreign countries. Trade expansion will come from the lowering of barriers to world trade, thus making more trade possible, not only with the British nations but with every other land as well.

U. S. Trade Reversal

Let us turn now to our market in the United States where we have had a sustained development within the last few years. This is a wholly natural and obvious change. For some years our imports from the United States were in excess of our exports to that country and consequently, over this period, the critics played with the figures from one year's end to the other. The logical explanation was rarely made. We were then borrowing abroad for Canadian development. Capital entering Canada came in the form of goods and hence imports from the United States were larger than exports.

Then came the financial crash. Outside investments in Canada declined. The expenditures in grandiose public works projects fell off. Borrowers did not want our municipal bonds, and even in some cases our provincial bonds were at a substantial discount. When we ceased to borrow abroad we reduced our imports and there followed a period in which the process was reversed and exports to the United States became greater than imports. The doubling of our exports to the United States in recent years (since 1933-34) has been a salutary development—it has in no way loosed the ties of Empire nor tended to draw us into the American Union.

The expansion of trade which has brought about a sharp improvement in Canadian business, coupled with a decline in unemployment, ought to be a lesson to us in the possibilities of the future.

Trade Inhibitions

Two fears inhibit Canadian trade progress. These are:

1. That increased volume of imports will lessen the amount of home production.
2. That breaking down barriers will cause an adverse balance of trade.

The first is a false conception that arises from the fact that restriction of imports increases work but does not increase employment. Under high protection we must do more work in order to accomplish the same result.

There is a distinct difference between work and employment. Employment connotes the idea of work for which we are suitably rewarded. Work may involve something for which we got little or no pay.

How much could we afford to pay a man today for wielding a cradle in a wheatfield? It would be a useless and hopeless task. It would be work but not employment. We increase our wealth by two things, by increasing the volume of production and facilitating the means of exchange.

Business in U. K. Holding Its Own

Of the 14 component series which make up the London Economist's index of business activity in Great Britain, 10 registered a rise in August and only four showed a decline. Moreover, half of these, including employment, electricity, rail freight movement, commercial trucks in use, consumption of iron and steel, imports of raw materials, and shipping, were at the highest point of the last 10 years. Postal receipts were close to a peak, and British exports of manufactured goods were within a few points of the best showing since 1929, but were considerably behind that year.

Probably the most significant recession was in building activity which showed more than a 5% drop from the rest of the year and a decline of almost 15 points from the all-time record of activity during the summer of 1936. In consumption of cotton, as a result of the persistent fall in raw prices, there was a sharp recession in August, although the index figure of 115.5 for this month is considerably higher than anything from 1929 to mid-1936, but compares with 131.5 in July, 1937, 111 in June and 143 in May.

Background of Business

A. and P. Will Stick

The Atlantic & Pacific Tea Company is not considering withdrawal of its A. & P. grocery chain from Canada, L. W. Beebee, general manager tells Canadian Grocer. Rumors of abandonment of the Canadian field were circulated some time ago. It is considered probable the rumors originated from troubles this chain of stores have been experiencing in Quebec. There has been unusually keen competition in the latter province and in addition heavy municipal taxes ranging from $300 per unit for chain stores and upward. Most chains have considerably reduced their units in Quebec. A. & P., for instance, now operates a total of around 230 as compared with a peak of 300 some years ago.

• • •

Menace National Brands

T. H. Macy & Company, New York department store which startled the American drug world some months ago by publishing big advertisements comparing prices of its private line drugs with nationally advertised equivalents, is carrying its cut price war into wider fields. Drug Merchandising reports that Macy has recently formed a subsidiary called Supremacy Products Inc. for the purpose of selling its 3,000 private brands to outside qualified retailers.

Volume would seem assured judging by the abundance of letters and telegrams to Macy's asking for the privilege of handling Supremacy brands. What is of chief concern to the average drug executive is the fear that if this cut rate business of Macy's should be stimulated, the elaborate price maintenance machinery, already internationally developed, may be thrown out of kilter. Of course, once Macys releases its own private brands for wholesale distribution through other retailers then such become national themselves. The problem therefore is no longer one of private versus national brands, but of price cutting entering the national brand field.

• • •

N. S. Blueberries to U. K.

Provincial government experimental shipments of Nova Scotia blueberries to the British market last year were productive of such good returns that they opened the way for private exports this summer. The small shipment made last year went to Manchester under cold storage conditions, and came on to the market there in competition with the product from Norway and other countries which normally supply England. Of such high quality were the Nova Scotia berries that they commanded practically double the price of the competing fruit.

Similarly satisfactory returns this season indicate that, with a weekly boat service available, and with careful handling, a reasonably good outlet for Nova Scotia berries can be obtained in the old land. Britain's import of blueberries last year amounted to about 73,400 cwt. and came mostly from Germany, Holland, Poland, Norway and the Irish Free State.

• • •

Motor Freights to B. C.

British Columbia motor dealers are much concerned over the proposed increase in freight rates on motor cars from eastern Canada to the coast. They have been conducting a strenuous campaign, according to Canadian Automotive Trade, to prevent it. Dealers state that the present rate is a flat $120 for motor cars from any Ontario city to Vancouver. On the average light car of approximately 3,000 pounds weight the suggested rate of $4.80 per cwt. would represent an increase of almost $25. On British Columbia's purchase of slightly over 12,000 cars last year, the freight rate charge alone amounted to almost $1.6 million. The proposed increase would add over half a million dollars on such a volume.

Bankruptcies

The Canada Gazette announces meetings of the creditors in the matter of:

Long, H. E., Woodstock, Ont.
Gale Gold Mines Ltd., Windsor.
Fitzimons (Robert) Co. Ltd., Hamilton.
Bradley, E. & C. D. Bradley, Smiths Falls.
Goodman, J., Toronto.
Weston's Garage Reg'd., Montreal.
Michaud, C., Cabano.
Fischel, N. F., Westmount.
Evans, W. R., Montreal.
Vezina, O., Quebec.
Perreault, V., Montreal.

Foreign Business

United States Department of Commerce reviews foreign business as follows:

Mexico—Restriction of credit extension by banks, merchants, and industrialists has caused wholesale and retail volume to decline further, and hesitancy has become more pronounced in most lines of business activity.

Uruguay—Seasonal slowness marks the primary markets but business as a whole not unsatisfactory; construction active and collections prompt.

Chile — Business optimism less widespread and heavy stock position of most retailers has been slowing up collections.

Peru—Rate of commercial progress has fallen below recent months, and except for possible temporary upturn of certain activities, conditions are not expected to improve in immediate future.

Ecuador—Good crops and active demand for principal export products fail to offset effect of credit restrictions and unsatisfactory situation of import trade.

Honduras—Basic economic conditions have not improved, despite slight increased current activity.

Costa Rica—Recent domestic price increase tendency has been counteracted by Government intervention; construction work booming.

Germany—Further expansion has occurred in production and building, with new synthetic industries adding fresh impetus to the output of capital goods and public construction.

Italy—Production is tending to advance, except for seasonal slackening; foreign trade is active, but adverse balance is unusually heavy.

Netherlands—Following a year of progress, seasonal slackening has been emphasized by the lessened pressure of back orders.

Irish Free State—Business maintained at high level, and prospects encouraging.

Union of South Africa—Some factors have made caution advisable, but business in general satisfactory.

Japan—Financial sentiment has been improved by measures taken to alleviate tight money conditions.

India—Monsoon dullness prevails, but business, rail earnings, and customs revenues better than last year.

China—Foreign trade advanced for the first eight months of this year, but trade from August on dislocated by hostilities.

New Freighters For Trade Route

Canada-Australian Service Will Provide Passenger Accommodation

Three motor freighters are at present being built in England for the trade between Australia and Canada. The new vessels, which are intended to replace the old existing steamers, will be between 5,000 and 6,000 tons.

The ships have been ordered by the Port line for the Montreal-Australia-New Zealand Line service, and three similar vessels will be built later. The new fleet, when complete, will replace the old Canadian National steamships, which were taken over when the M.A.N.Z. Line was formed by a combination of shipping companies.

Limited passenger accommodation will be provided on the new freighters. The first of the new vessels is expected to be placed in commission before the end of the current year.

Potatoes to Jamaica

Of Jamaica's imports of potatoes last year, totalling 1,345,154 pounds, Canada supplied 1,240,388 pounds.

World's First Tariffs Were Levied by Pirates

The word "tariff" comes from Tarifa, Spain, situated just where you would expect to find Gibraltar on the map. It is the first peninsula met at the entrance to the Mediterranean. Gibraltar is the second, about 30 miles inside the straits. The word "tarifa" signifies "the reconing." In old days the pirates of Tarifa leveled toll on all merchant ships plying along its coast.

1889—1937

The experience of this organization in investment matters is gladly placed at the disposal of investors. We invite inquiries addressed to any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Valuations . . . .

We will be glad to give you quotations on individual securities as well as on your entire investment list.

McLEOD, YOUNG, WEIR & CO.
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Ottawa Montreal London Hamilton
Correspondents in New York and London, England.

THE DOMINION LIFE ASSURANCE COMPANY
Forging Steadily Ahead
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

PUTTING PROVEN IDEAS

IN PARTY DRESS...

Teeth, Breath, Nerves, Smoking, Digestion, Flavour . . . there are six long-established appeals in Wrigley's Gum advertising. They are fundamental, because they are human. Each was long ago summed up in a slogan. Now everyone knows the *name* Wrigley. Millions are at least vaguely familiar with the *slogans*. But the *modern* problem is to sidestep this penalty of leadership, to make these slogans *come alive!*

So Wrigley advertising today constantly puts proven ideas in party dress . . . finds new facts to add to their convincingness, or new techniques to bring them again front-stage in the public mind. "Aids digestion" is more convincing in terms of the modern habit of gulping our meals! "Steadies nerves" takes on new meaning against the background of today's appalling accident record!

Take fundamental ideas . . . present them in an ever-fresh dress so that they may simultaneously remind old customers and convince new ones: The sales results attest the success of the formula!

J. WALTER THOMPSON Company, Limited

Serving 38 of Canada's leading advertisers, directing campaigns for these among other products: WRIGLEY'S GUM, C-I-L'S WINDSOR SALT, HOSTESS REFRIGERATORS, KRAFT CHEESE, LUX FLAKES, MCCORMICK'S BISCUITS, SWIFT PREMIUM HAMS AND BACON, ROYAL YEAST CAKES, J. B. WILLIAMS SHAVING SOAPS AND CREAMS.

Stepping Stones to Better Business

More profit with higher wages is the natural desire of the management of any business. And yet many times this seems impossible of achievement.

Here it is that May Methods have proved themselves the real stepping stones to greater efficiency and hence greater profits.

The May organization . . . men rigorously trained in all phases of business administration and management . . . can, by a detailed and searching analysis of your business, show many ways in which potential profits are leaking away.

Reduced costs, larger earnings and higher wages are the invariable results when May Methods are installed.

Our survey and recommendations will cover every operation of your business . . . from raw materials to the ultimate consumer . . . from the smallest detail to the most important matter of management policy . . . and the results obtained by many hundreds of concerns in all branches of industry, who have employed the George S. May Company are proof that May Methods will help you to greater profits . . . no matter what your business.

Consult our nearest office. The consultation will cost you nothing and it may be of great benefit.

WE SAVED THIS MACHINE SHOP $500,000.00

Our estimate showed a prospective saving of $113,100.00. Their Works Manager later signed a statement that May Methods actually saved $500,000.00, yet increased wages over 20%. By passing on 50% of our savings to the consumer their sales doubled! One of the greatest engineering accomplishments ever recorded.

MAY METHODS KEPT THIS COMPANY FROM BANKRUPTCY WITH A SAVING OF OVER $30,000.00

Necessary wage increases were making this textile mill lose heavily. Our preliminary survey showed an expected saving of $20,660.00. The actual saving was $30,756.00. This enabled the manufacturer to increase wages and yet operate at a good profit . . . thanks to May Methods.

ENGINEERS

GEORGE S. MAY, LIMITED
320 BAY ST., TORONTO

Construction

30-Year Old Building Keeps Pace With Times

Renovation-construction Programme of Premier Trust Co. Provides Modern Office Structure at Cost of $180,000

A combined modernization and construction project, now under way, will give the Premier Trust Co. a modern office building in downtown Toronto early in 1938.

Since March, 1937, work has been going on to complete two new floors and install air-conditioning in the company's present building. When completed by the end of December, this work will have cost about $40,000.

The building was constructed around 1908 by the Imperial Trusts Co. and acquired by the Premier Trust, with control of the Imperial Trust, in 1934. When present alterations are completed the building will have three stories in place of the one main floor which extended to the roof, some 40 feet above, when it was first opened.

Old Mining Exchange

Later a floor was put in and leased to the old Standard Stock and Mining Exchange. This floor with a ceiling height of 26 ft. was used by the Exchange and its successors until the new Toronto Stock Exchange building was opened in March of this year. Since that time the Premier Trust Co. has divided the space formerly occupied by the Exchange into two floors. The lower of these is being fitted for the use of the trust company, while the upper is available for rent.

Experiments are being carried out to determine the most efficient type of air-conditioning equipment for the building. A new type of indirect lighting has been devised and used in combination with a scientifically designed color scheme to give the most efficient light at the least cost. Ceilings have been installed with a view to insulation for both sound and temperature. This was made particularly necessary as the building is so constructed that no pillars or walls break the continuity of the room.

When it was decided to rent the upper floor, the necessity of providing elevator service arose. The problem was complicated by the design of the present building which did not lend itself to the installation of elevator equipment.

Elevator Problem Solved

Premier Trust officials turned toward the property adjoining on the west which they already owned through a subsidiary. Standing on this lot was an old three-story building which was regarded as almost a liability because of obsolescence. It was eventually decided to tear down the old building and erect on the site a modern five-story office building which could be used to provide the needed elevator service for the present Premier Trust building.

Although the contractors have only recently completed demolishing the old building on the site, they have agreed to have the new building far enough completed to have elevator service ready for the present renovated building by the end of December. These elevators are being made under recent Westinghouse patents. They will be automatic in operation and specially designed for smooth and speedy service.

A Harmonizing Unit

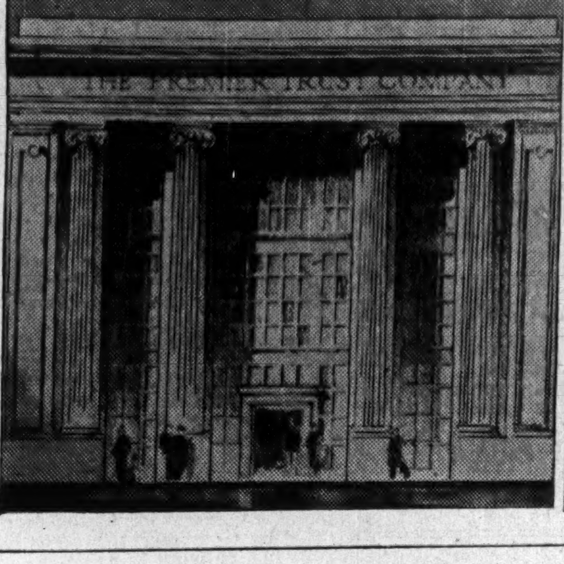
Cost of the new five-story and basement building is estimated at $140,000. Design of the new building has been arranged by the architects, Mathers & Haldenby, Toronto, to harmonize with the present structure and, according to officials of the trust company, "would be the kind of building that those who designed the 1908 structure would have wanted in 1937." Front will be faced with Indiana limestone, while the other exposed surfaces will use a specially designed brick to harmonize with the limestone front over the steel and concrete base.

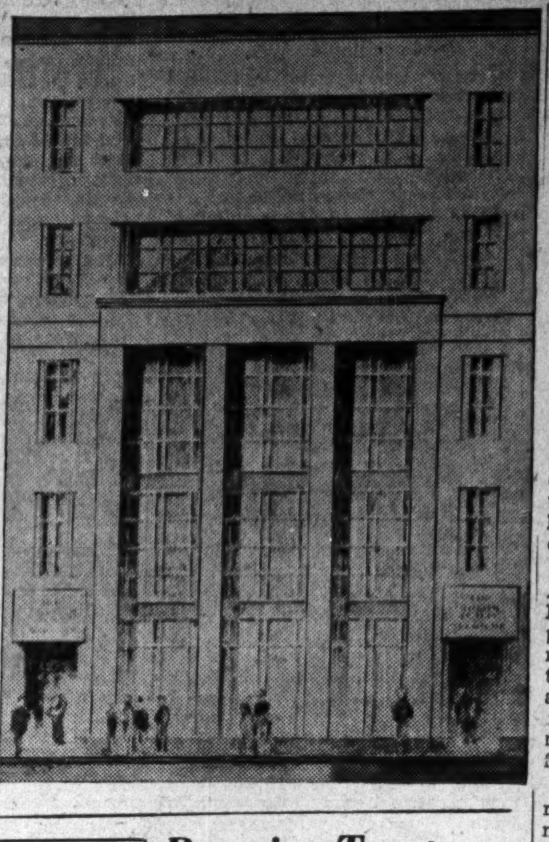
The trust company, itself, only plans to use a portion of the second floor for an enlarged filing and vault accommodation. The balance is to be rented and it is stated that already negotiations are under way for leasing substantial portions. A new oil-burning heating system is being included which will be used to heat both buildings.

The air-conditioning equipment to be used will be of the unit type, with an independent installation to serve each floor.

PREMIER TRUST BUILDING

Built in 1908 as a one-story building for the Imperial Trust Co., later made into a two-story building to accommodate the old Standard Stock and Mining Exchange and now again altered to make it a modern, air-conditioned office building, the present Premier Trust building in Toronto is being enlarged with an adjoining five-story and basement structure.





Dom. Housing Act Loans Half Million in September

In the face of the usual seasonal recession in building of the early fall, residential projects under Dominion Housing Act provisions maintained a satisfactory level during September, according to a bulletin issued by Finance Minister Dunning. During September, 131 loans involving a total of $552,000 were granted to provide for erection of 134 family units at an average loan coverage of $4,123.

The cumulative total of loans approved to the end of September stands at $11.1 millions, providing accommodation for 2,567 families at an average loan per family unit of $4,346. Loans granted during the year ended Sept. 20 show an increase of 290% in amount and 335% in number, in comparison with the previous 12-month period.

The totals by provinces follow:

Housing Act Loans

Province:	No. of Loans	Amount	No. of Family Units
Prince Ed. Is.	10	$ 54,034	10
Nova Scotia	231	1,025,094	233
New Brunswick	52	233,567	55
Ontario	835	4,971,166	1,154
Quebec	452	3,855,234	823
Manitoba	35	233,314	35
Saskatchewan	2	8,200	2
Alberta	...	....	...
British Columbia	183	776,196	255
	1,800	$11,156,805	2,567

The Construction World

To the end of September, total of loans under the Home Improvement Plan throughout the Dominion soared close to the $10 millions mark. Official announcement by Finance Minister Dunning this week set the figure at $9.8 millions, of which $686,000 was added during the last two weeks of September. The lion's share of the total, reached in less than a year of H.I.P. operation, was achieved by Ontario, where borrowers have been lent $4.1 millions under the plan. Other provincial totals are: Prince Edward Island, $92,000; Nova Scotia, $679,000; New Brunswick, $388,000; Quebec, $1.9 millions; Manitoba, $634,000; Saskatchewan, $256,000; Alberta, $886,000; and British Columbia, $896,000.

• • •

Home Building Costs

The pivotal problem in connection with the construction and financing of single-family homes — cutting of costs and making units available on attractive terms of payment—will be one of the chief problems to be discussed at this month's convention in Pittsburgh of the National Association of Real Estate Boards. The problem is of particular importance in regard to production of low cost homes suitable for low or moderate income purchasers unable to make high amortizing payments over short periods of years. The difficulty of combining low financing costs with reasonable construction expenditures has acted as a brake on low cost housing projects in this country.

• • •

Insulating Board

Reviving activity in the building industry and increased demand for materials for both new construction and renovation, are reflected in a recent bulletin of the Dominion Bureau of Statistics on rigid insulating board shipments. Total of shipments by three leading concerns in Ontario and Quebec amounted to 5.1 million square feet in August, compared with 4.3 million square feet in August, 1936. The total for the first eight months of this year was 33.7 million square feet, the figure for the same period last year being 25.5 million square feet.

• • •

Economic Barometer

The staggering effect of economic maladjustment upon the construction industry and upon the meeting of construction requirements is strikingly shown in a recent report issued by the United States Chamber of Commerce. Among the findings of the study, declared to be based on "official and authoritative" data in a study of building's importance in relation to living standards and the national economic balance, are the following:

From a peak of $11 billions in 1928 the volume of construction decreased to a low of $3 billions in 1933. It increased to $6.7 billions in 1936.

Private residential construction accounted for 39.2% of the total construction outlay in 1928 and only 18.4% in 1936.

"Overcrowding" of dwellings is much less in the United States than in many foreign countries, the percentage of such overcrowded dwellings ranging from 3% in England to 1.4% in 64 American cities.

The average annual number of family dwelling units upon which construction was started was 677,000 in the decade 1920-1929 and only 165,000 in the seven years 1930-1936.

The total number of dwelling units built or under construction by the Federal Government to date is only 27,161.

The greatest lag has been in the construction of low-cost housing.

The number of firms engaged in contract construction decreased from 135,057 in 1929 to 75,047 in 1935.

Regular construction employment reached a peak of 2.8 millions in 1928 and declined to 629,000 in 1934, recovering to 1,210,000 at the 1936 peak.

• • •

Checking Fire Hazards

The value of dwelling renovations as a means of fire prevention is stressed in a recent bulletin from Home Improvement Plan headquarters in Ottawa. The bulletin points out that Canada's fire loss last year was the lowest for a decade, yet that total property loss was $21.5 millions, and in this total was a property loss of $7.3 millions from such causes as the following: stoves, furnaces, boilers, pipes; defective chimneys and flues, electrical wiring and appliances, sparks from chimneys, and lightning striking buildings without lighting rods.

New Building

Building projects planned and under way include the following:

Gray Coach Lines Ltd., Toronto, has launched construction of a $200,000 garage.

Department of Public Works of Manitoba has construction under way of a $60,000 addition to the Manitoba School for Mental Defectives, Portage la Prairie.

Canadian Transit Co., Windsor, has obtained permit for erection of $30,000 warehouse on Ambassador Bridge property.

Continental Can Co., Montreal, plans a $75,000 warehouse at its St. Laurent plant.

Among projects reported by Daily Commercial News and Building Record as contemplated or under way are:

Norman A. Kearns, Welland, Ont., architect, preparing plans for 1,125-seat theatre for unnamed owner, construction to start this month.

St. Hilda's College, Toronto, construction under way of three-story residence in University of Toronto district.

Ontario Dept. of Public Works, Toronto, construction launched of extension to Ontario Hospital near Woodstock.

Dept. of Public Works, Ottawa, receiving tenders to Nov. 5 for construction of proposed control dam across Richelieu River at St. Johns, Que.

Viceroy Manufacturing Co., Toronto, commencing erection of factory and office building.

Palace Amusement Co., Cornwall, contemplating erection 700-seat theatre in addition to 1,000-seat theatre already planned.

Ontario Dept. of Public Works, Toronto, receiving tenders to Oct. 19, for second group of new buildings for Ontario Hospital at St. Thomas.

Quebec Catholic School Commission has launched construction of three new teachers' residences at Quebec to cost $105,744.

John Labatt, Ltd., London, Ont., has commenced construction of new storage and fermenting building, $60,000.

City of Toronto has announced plans to proceed with $124,000 paving programme, mainly on Van Horne St.

Dept. of National Defense, Ottawa, has awarded $98,000 contract for new tool and gauge plant at Dominion Arsenal, Quebec.

Brandram-Henderson Ltd., has let contract for erection of $75,000 varnish plant at Montreal.

Canadian Johns-Manville Co., Asbestos, Que., drafting plans for construction of addition to plant.

Dept. of Public Works, Ottawa, has awarded $85,000 contract for reconstruction of armouries at Moose Jaw, destroyed by fire last February.

Acme Paper Box Co., Toronto, have called through architects for tenders on erection of $30,000 reinforced concrete warehouse.

Joy Oil Co., Toronto, plans to start work shortly on construction of oil and gasoline storage tanks, pump and test buildings, and office building in waterfront area, permission for which was finally granted by city council recenty.

Cyanamid Dividends In Cash or in Stock

A special dividend of $1 per share, payable out of 1937 earnings, has been declared on the class A and class B stock of American Cyanamid Co., payable Nov. 26, to shareholders of record Oct. 18. The dividend is payable at the option of shareholders either in cash or in shares of the recently authorized 5% convertible preferred stock, of $10 par value, in the ratio of one share of preferred for each 10 shares of A or B stock. Shareholders also have the option of receiving a part of the dividend in preferred and the remainder in cash, but are required to exercise their option on or before Nov. 20, 1937.

Shareholders recently authorized creation of the 5% preferred stock issue. The purpose is to enable the company to pay dividends in such shares. This permits evasion of U. S. taxes on undistributed profits while allowing the company to retain cash for expansion of operations.

Frigidaire Unit Moves Into Bigger Factory

Substantially larger factory and administration premises and additional manufacturing equipment at Leaside, suburb of Toronto, are to be taken over this week by Frigidaire Division, General Motors Sales Corp. Floor space of the Toronto enterprise will total 90,000 feet, double the previous plant. The expansion will enable the company to increase the proportion of its products made in Canada, and to extend the production of both household and commercial units.

The new establishment will be featured by assembly lines for domestic units, a special line for production of commercial equipment, and a soundproof dealer conference room, equipped with stage, special lighting, and sound movie apparatus.

Enamel & Heating Sales Show Marked Increase

From Our Own Correspondent

MONTREAL.—During the first eight months of the current year, business of Enamel & Heating Products Ltd. is stated to have shown an increase of 47% as compared with the corresponding period of last year. Stove sales have shown an increase of 55% and enamelware a gain of 33%.

Improvement in sales should be reflected in profits so that it is expected that earnings in the current year will be substantially higher than in 1936 when net profit amounted to $5,603. In 1935 the company reported a deficit of $25,047 without making any provision for depreciation.

Toronto Elevators Declares $1 Dividend

A semi-annual dividend of $1 a share has been declared on the common stock of Toronto Elevators Ltd., payable Oct. 30 to shareholders of record Oct. 20.

The payment indicates an annual rate of $2 a share. In the company's year ended July 31, two payments of $1 a share were made.

Premier Trust Issues Stock

Purchase of the Security Loan & Savings Co. by Premier Trust Co. has resulted in the issue of about 4,500 additional shares of Premier Trust Co. stock. Security Loan shareholders were offered the option of accepting shares of Premier Trust Co. or cash for their stock and it is understood that holders of about two thirds of the outstanding Security Loan shares elected to take the cash option before the option expired on Oct. 1.

Changes made in 1937 have resulted in an increase in the outstanding capitalization of Premier Trust Co. from $650,000 at the end of 1936 to around $1.2 million at present. This is after giving effect to the issue of shares to Security Loan shareholders.

Montreal Real Estate

Greater Montreal's real estate sales in the first eight months of the year numbered 2,582 and represented a value of $16,992,573 which is, roughly, $1,500,000 better than last year's showing for the same period.

Conciliators Fail to Agree Over Wages

Winnipeg Electric Representative Opposes Majority Finding

From Our Own Correspondent

OTTAWA. — Despite successive hearings characterized by amity throughout, the Board of Conciliation appointed by the Federal Department of Labor to deal with the dispute between the Winnipeg Electric Co. and certain of its employees has failed to reach a unanimous conclusion.

The majority report, signed by Arnold Smith, chairman, and by R. B. Russell, representative of the employees, favors the men. It recommends cancellation of one third of the pay reduction suffered in 1932 as from May 1, 1937, cancellation of another one third on May 1, 1938, and restoration of the old rate in full as from May 1, 1939.

W. C. Hamilton, the company's representative on the Board, does not agree with this finding and has filed his own minority report. He takes the ground that the hearing failed to disclose any ground upon which the application of the men could be supported and contends that the Board completely ignored the evidence placed before it with respect to the financial position of the company. Mr. Hamilton contends particularly that the Board failed to make allowance for the fact that since 1932 the company has voluntarily instituted the practice of two weeks vacation with pay for every man—a concession which he considers should be regarded as equal to 4% of the 10% pay cut which the men are protesting. Having regard to costs of living now as compared with 1929, the real wages being paid to the company's employees, in the opinion of Commissioner Hamilton, are actually higher than in 1929.

The class of workers concerned in the dispute are motormen, conductors, busmen, mechanical and track department employees, and appliance repair employees, in all, about 1,200.

Both the majority and minority reports emphasize the satisfactory relations apparently existing between employer and employee in the Winnipeg company.

South Africa Showing Interest in B. C. Lumber

From Our Own Correspondent

VANCOUVER.—British Columbia's lumber outlook continues unsatisfactory, chiefly due to high freight rates and slackening in demand from the principal overseas buyers.

South Africa has shown a little more interest in B. C. lumber during the past week. Australia has weakened considerably on both logs and lumber.

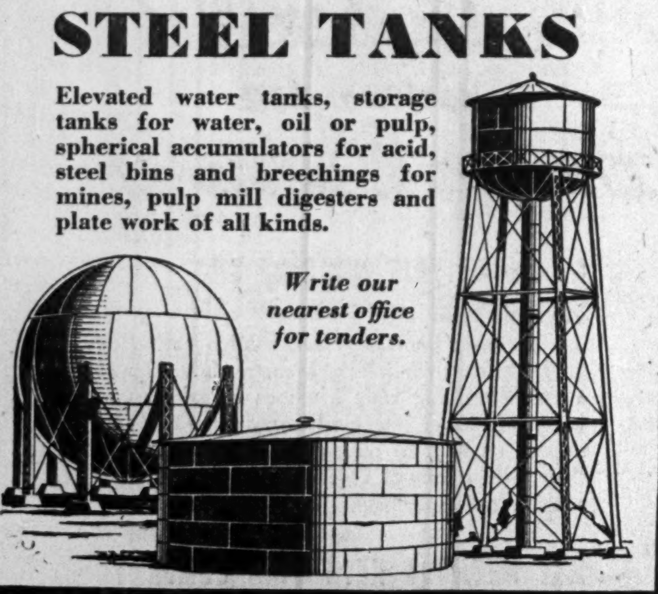
Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited
UNITED STEEL CORPORATION LIMITED
TORONTO . WELLAND — DODGE — CANADIAN MEAD MORRISON — MONTREAL . WINNIPEG

BUILD WITH STEEL . . . because of its advantages — Strength, Security, Speed, Economy, Adaptability and Compactness. The Hamilton Bridge Company is equipped to render the highest type of service on Steel Fabrication and Erection. When Plain Angles, Beams, Channels, Plates and Bars are required quickly, call the Hamilton Bridge Company.

HAMILTON BRIDGE COMPANY LIMITED
HAMILTON CANADA

NATIONAL STEEL CAR Corporation Limited
Modern Builders of Railway Passenger Cars —Freight Cars—Street Cars—Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames and Parts — Steel Pressings — Forgings — Drop Forgings.
Manufacturing Agents for LaPlant-Choate Mfg. Co. Inc., Cedar Rapids, Ohio, leading manufacturers of tractor equipment for earth and snow removal.
HAMILTON, ONTARIO, CANADA
437 St. James Street
MONTREAL

STEEL TANKS
Elevated water tanks, storage tanks for water, oil or pulp, spherical accumulators for acid, steel bins and breechings for mines, pulp mill digesters and plate work of all kinds.



HORTON STEEL WORKS LTD.
TORONTO, ONT. FORT ERIE, ONT. MONTREAL QUE.

"OSMOSE" treats new and standing structures!
CAN THERE BE BETTER LOGIC? Decay is due to moisture. OSMOSE penetrates wherever there is moisture. Preservatives backed by service records since 1900.
OSMOSE
WOOD PRESERVING CO. of Canada Limited
Head Office MONTREAL Castle Bldg.
TORONTO Ont. WINNIPEG, Man. VANCOUVER, B.C.
ONTARIO-CREOSOTING CO. LTD. PORT ARTHUR ONT.

RUST COSTS MILLIONS
Copper & Brass *Cannot* Rust

• Every year Canadian property-owners absorb a rust loss of millions of dollars.

Industry alone stands half the loss. And everyone who owns a home helps pay the other half.

Much of this rust toll is needless waste. One certain way to save is to use Copper and its useful new alloys *where they belong.*

• • • •

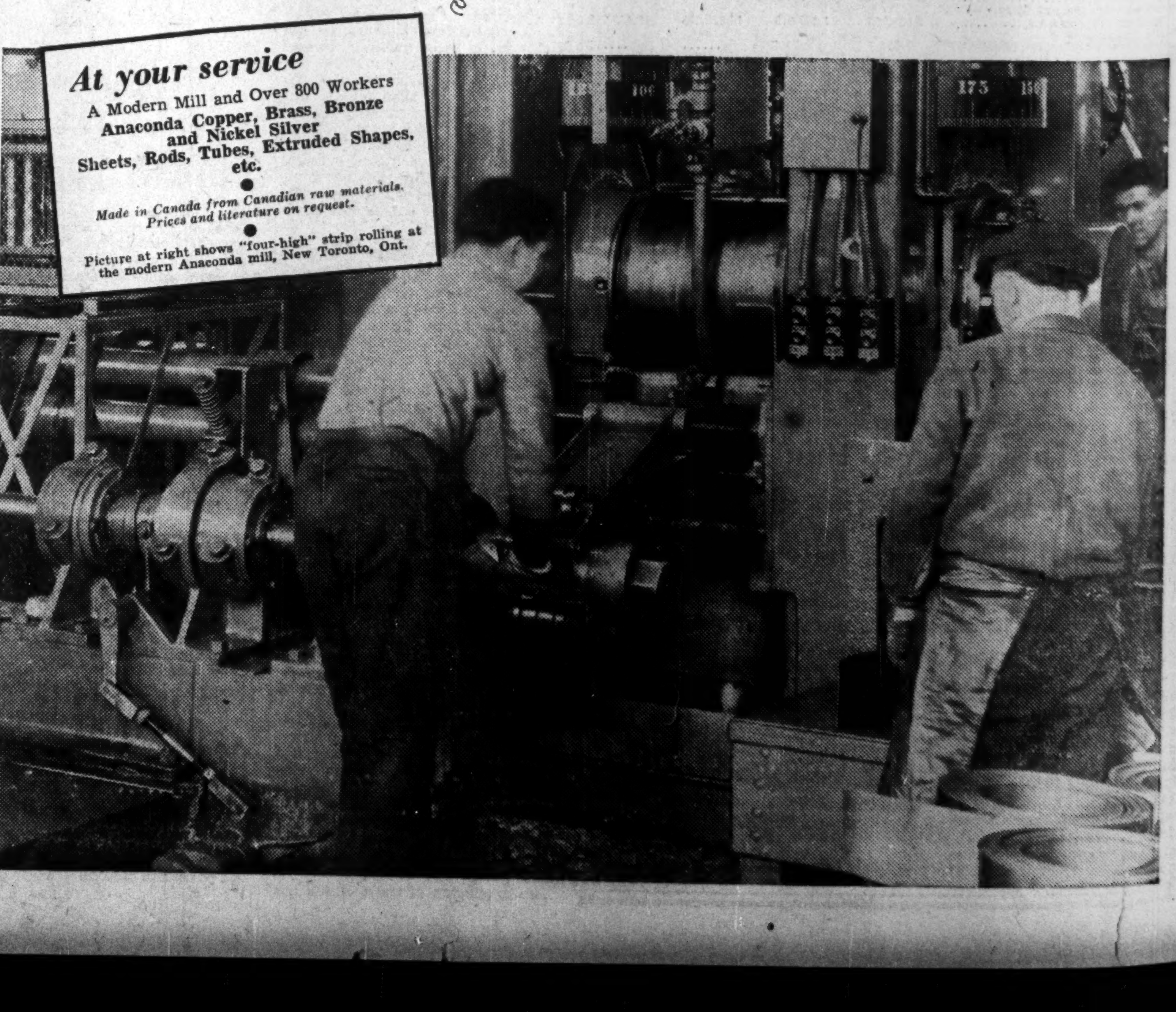
They belong in the building field — from roofs to basement tanks, from pipes to facades. *They belong* in the automotive field — millions of pounds in every season's cars. *They belong* — at ten thousand different vital points where their unique strength, corrosion-resistance, beauty, workability, endurance, *and economy* make them the inevitable common-sense choice.

Ready to demonstrate how Copper and its alloys can serve *you* is Anaconda . . . with its Copper and Copper-Alloys evolved out of a background of more than a century of metallurgical experience.

NOTICE: If you are taking advantage of the Home Improvement Plan to modernize your home, insist on durable materials. Metals that do not rust will give years of cost-free service, long after your loan has been repaid.

ANACONDA Copper and Brass

ANACONDA AMERICAN BRASS LIMITED
MAIN OFFICE AND MILL: NEW TORONTO, ONT.
MONTREAL OFFICE: DOMINION SQUARE BUILDING



Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Huron & Erie Assets

Can you furnish me with a break-up of the assets held by Huron & Erie Mortgage Corp. at the end of 1936?

Total assets of the Huron & Erie Mortgage Corp. were $45.6 millions at the end of 1936. Chief items included in this total were as follows: Office premises, $2 millions; real estate held for sale $968,576; mortgages and agreements on real estate, $34¼ millions; Government securities, $4 millions; bonds guaranteed by Canadian Governments, $718,498; Canadian municipals and rural telephone debentures, $393,456; stocks $1.6 million; cash on hand $816,248; other assets $929,158. Of the total mortgages held, $18.5 millions were on real estate on the western provinces of which $11.5 millions were in Saskatchewan. The company had $15.5 millions of mortgages on real estate in Ontario. Rather heavy obligations in western Canada, have resulted in lower earnings for Huron and Erie in the current year and the company has reduced its dividend from 5% to 4% per annum.

Montreal Power

Will you please let me know how Montreal Light, Heat and Power is getting along and if the dividend will be covered this year?

Montreal Light, Heat and Power Co.'s interim report on operations this year indicates a further expansion in sale of electrical energy, and a slight decline in sale of gas. No particulars have been issued as regards income from investments. Expectations are that the net income this year will be $1.75 a share or better on the common stock. This compares with dividend requirements of $1.50 a share. Operations of the company are on a very steady basis, which is reason for believing that the company will be able to maintain dividends at the present rate. On current prices, the yield of $1.50 a share returns a comparatively high income for this type of security.

Can. Investment Fund

It would be appreciated if you would let me have your opinion on Canadian Investment Fund. Has the company been affected by the recent break in security value?

Canadian Investment Fund has a portion of its funds in Canadian securities. Naturally, the value of the investment portfolio is affected by market fluctuations, while its income depends upon dividends and interest received from its holdings. The value of the Funds' own common stock, moves up and down with the value of its portfolio.

The holdings of the company are in soundly managed Canadian and United States enterprises. While the portfolio has probably depreciated in value owing to the recent break in the market, there has been no other material change in the fundamental position of the company.

Winnipeg Electric

I would like a brief opinion on the Winnipeg Electric Co. 4% bonds.

Winnipeg Electric Co.'s finances have been placed on a sounder basis as a result of the reorganization carried out a short time ago. Financial statements of the company indicate that the interest charges are being earned and as an investment medium, the 4% bonds are regarded as satisfactory in their class, but do not constitute a first mortgage.

Canada Steamships

Will you please let us have your opinion on Canada Steamship Lines bonds? Also, were earnings in 1930 sufficient to pay interest on the new basis?

Under the reorganization plan recently carried out, Canada Steamship Lines' interest charges and depreciation charges have been substantially reduced. Indications are that on this year's earnings, both these charges will be covered, with a balance on the preferred stock. Naturally in the event of a severe depression the company might not be able to pay its way out of earnings, but, on the other hand, it is considered that the company can pay its way under normal conditions.

On the basis of earnings in 1930, Canada Steamship Lines would have had no difficulty in paying interest charges on the present basis.

Consumers' Gas

Will you kindly give us a brief report covering the Consumers' Gas Co? We are anxious to form an opinion as to the desirability of this stock for investment purposes.

The present 10% dividend rate on Consumers' Gas stock has been paid without interruption since 1874. Prior to that time rates of 8% and 10% were paid.

There has been an important trend in the past few years which you should examine in detail. The company's dollar volume of gas sales declined from $6,037,000 in 1930 to $5,226,000 in 1936. This was partly due to a reduction of rates. However, the number of meters installed also declined in the years of the rate reduction. This year, the company announced an increase of 10 cents per 1,000 cubic feet in the price of gas. The company stated this had been made necessary by increased operating expenses, particularly taxes, restoration of wage levels to those prevailing prior to May, 1932, greater cost of coal and other materials, and higher customs duties. The company has the right to charge rates which will enable it to pay the 10% dividend, under its charter and statute of the Province of Ontario. The question for the investor, however, is whether the increase in gas rates will tend to deter sales and volume from increasing. The company competes to some extent with electric power supplied by municipal hydro systems.

In the five years, 1932 to 1936, the effect of the company's rate reductions was to reduce total reserves from approximately $8 millions to slightly less than $6 millions. In that period, earnings exceeded the dividend, prior to deduction of the full annual appropriation for plant and buildings renewal fund, which is a sort of depreciation reserve. After that deduction, however, the dividend was not covered by net profits and this was reflected in the decline in total reserves.

National Light & Power

Can you tell me how the drought conditions in Saskatchewan will affect the bonds of National Light & Power Co. and give me a general report on the company?

Drought in Saskatchewan is not favorable for business and income generally in that province, and, therefore, does not help National Light and Power Co., Moose Jaw. However, in the depression years, when income was as bad as it is likely to be this year, the company was able to cover its bond interest after depreciation. This year, the company has been covering its interest after depreciation over 1.6 times, and has had a small increase in kilowatt hour output. The company does not generate hydro power, but operates with steam electric power from coal. Water shortage, therefore, does not interfere with production of energy. Recently, the company obtained a ten-year contract with Natural Sodium Products Ltd. which is expected to increase annual gross revenue by $30,000 to $50,000. The company operates the electric light and power system of Moose Jaw under a 20-year franchise, and also sells electricity wholesale to the Saskatchewan Power Commission and Montreal Engineering Co. The market for the bonds, is rather inactive at times.

Stop & Shop Bonds

Can you give me a quotation on the 6% bonds of Stop & Shop Ltd.? I would also appreciate some indication of how the company is progressing.

There is no bid at present for the 6% bonds of Stop & Shop and they are offered around 45 to 50. The market on these bonds is very inactive.

Stop and Shop Ltd. was merged with Thrift Stores in August, 1936. No change was made in the capitalization of either company. Under the arrangement, Thrift Stores acquired from Stop & Shop all its current assets, including inventories, and, in effect, took over the business of Stop & Shop as a going concern. The assets of Stop & Shop acquired by Thrift Stores included no real estate, properties or equipment, these being leased from Stop and Shop. Thrift Stores assumed no liability in respect to the bonds of Stop & Shop, but it is stated that rentals from real estate, store properties and equipment will be sufficient to meet bond interest, depreciation and other charges for Stop & Shop. In the year ended March 27, 1937, Thrift Stores reported net deficit of $93,613 as compared with $1,052 in the previous fiscal year. A portion of this loss was due to expenses incidental to the amalgamation of the company with Stop and Shop, but the report indicates that the amalgamation was beneficial. Operations of the company showed improvement during the last five months of 1937 fiscal year. A financial statement of Stop & Shop is expected in the near future.

Sandwich Bonds

I hold a bond of the town of Sandwich and understand that a refinancing plan has been proposed. Can you give me details of the proposals?

The town of Sandwich was one of the four included in the amalgamated municipalities which are now known as the City of Windsor. Holders of Sandwich bonds can obtain the new securities to which they are entitled from the Guaranty Trust Co. of Canada, after Oct. 21. Sandwich debentures must bear coupons maturing on and after March 1, 1932. Interest which accrues from Jan. 1, 1936, on the new debentures will be paid at the rate of 1½%. Additional interest, known as income interest, is payable in any year in which the city's operating expenses are in excess of $2.9 millions, when the city must make available for debenture holders, $125 for each $100 of such excess. Half of this will be paid as additional debenture interest and the remaining half will be paid into sinking fund. Total interest to be paid in any year on the new debentures is not to exceed 4½%. Debenture holders will receive immediate payments of past due interest, by cashing coupons attached to the new debentures. This applies on interest which became due up to and including the end of 1935 and holders of Sandwich bonds will receive 12% of such interest. At the same time they will be able to cash coupons which have matured since the first of 1936 on the new bonds.

Saskatchewan Issues

I have been offered an exchange of Saskatchewan 4½% bonds, due 1951, for the 5½% bonds, due 1952 of the same province. Can you explain how a 4½% bond can be bought from me for a higher price than I am offered a 5½% bond of almost the same maturity?

One difference between Saskatchewan 4½% bonds, due 1951, and the same province's 5½% bonds, due 1952, is that the former issue is payable, both principal and interest, in United States funds as well as in Canadian funds, while the latter issue is payable in Canadian funds only. Being payable in United States funds, the 4½% bonds have a wider market in that they are more desirable to a resident of that country. At the same time there is an added attraction in a speculative feature through possible exchange fluctuations. This means that the holders of the 4½% bond can obtain payment of interest in United States funds when this money is at premium in terms of Canadian funds or vice versa. There is also a well founded idea that, in the event that any adjustment should be made with bondholders, there is less chance of involving bonds payable in another currency besides Canadian. While these factors frequently have an effect on the market price of bonds concerned, for an investor living in Canada the real difference in security is small.

Gatineau Power

What earnings per share are reported on Gatineau Power Co.'s 5% preferred and new no par common shares? What is the equity behind each stock? When are dividends to be paid on the preferred?

Until Gatineau Power Co. publishes consolidated balance sheet under recent scheme of capital reorganization, it is not possible to give an official figure on equity for new preferred and common. However consolidated balance sheet of Canadian Hydro for 1936, which will closely approximate that of Gatineau Power, showed an equity at end of 1936 of $317.25 for each $100 preferred share. In view of change in common outstanding, we are not able to give a similar figure on these shares.

Last quarterly consolidated statement issued by Gatineau Power, for three months ended June, 1937, showed earnings of $3.37 on preferred and 16½ cents on the new common. This is equivalent to $13.48 annually on preferred and 66 cents a share on common.

Dividend on Gatineau's new preferred stock is cumulative from Jan. 1, 1938, and first quarterly payment will be made on April 1 next.

Price Bros.

Among my holdings are some of Price Bros. and Co. new bonds. Is the outlook for the industry still favorable and will the company improve its earning power?

The newsprint situation has undergone a material improvement over the last two years and the outlook for Price Bros. is considered promising. Indications are that all operators will report increased income this year, with a substantial advance scheduled for next year. Price Bros.' finances are in good shape and the company stands to benefit by the advancing price of newsprint paper.

Dominion Tar

Will you please let me have a report on Dominion Tar & Chemical Co.? I would like to know whether there is a probability of anything being earned on the common shares.

Dominion Tar & Chemical Co. reported earnings of $7.63 a share on preferred and 21 cents a share on common during 1936. Toward the end of the last year, company refinanced its old bond issue with consequent saving in interest charges. The saving thus effected, together with a larger income on current business, is expected to result in relatively sharp increase in stock earnings this year. Estimates as to what will be earned on the common in 1937 vary widely. There is no official information on this point, but it can be assumed that the income available on the junior security will be substantially greater than in 1936.

Dominion Bridge

Can you give me a brief outline of the recent earnings of Dominion Bridge Co.? I should like to know whether the dividend of $1.20 is being earned, or is probably being earned so far in 1937.

In the year ended Oct. 31, 1936, Dominion Bridge Co. reported net earnings available for depreciation and dividends of $795,026. After writing off depreciation reserve of $503,414, net income was $291,612, equivalent to 57 cents a share on common as against dividend payments in that year of $1.20 a share.

No official information is available on trend of earnings during current year, which ends this month, but while there will be some improvement, it is not anticipated that the dividend will be covered in full.

N. B. Gas Output

Output of natural gas in New Brunswick during the first half of the current year amounted to 347,807,000 cubic feet, valued at $171,434, according to a Census of Industry report.

"Safety" in Common Stocks

Possibly you would not object to naming seven or eight common stocks, all good dividend payers and something that would show appreciation in the next few years. I would not be interested in Imperial Oil, Montreal Power and Imperial Tobacco, as I have some of them, but what I am looking for is a sound, safe stock that has a continuous record of making money and that would not be affected by change in present conditions.

One reason that The Financial Post does not select securities for purchase by investors is that investments must be studied and changed from time to time by the individual and that a good list this year might be a poor one in a few years time.

Your search for a sound safe stock that has a continuous record of making money and that would not be affected by change in present conditions may be a futile one. Long experience in investment suggests that stocks of the type you describe are rare and that almost any stock is affected by changes in conditions. Your description suggests that what you should perhaps be looking for is a bond of stable character, but giving an income of say, 5%.

Record of Dividends

Looking at some industrial common shares which have paid continuous dividends in the last 10 years some typical results are as follows:

Bell Telephone Company has continued dividends, but the former $8 annual rate was reduced to $6 in the depression. The full $8 rate is now being paid.

British American Oil Co. maintained dividends of 80 cents a share right through the depression, and is now paying a rate of $1 a share which is one of the best records.

F. N. Burt Co. was obliged to reduce the former $3 rate to an annual rate of $2 in the depression and has not earned the lower rate every year.

Building Products paid dividends through the depression, but at one time was paying as low as $1 a share annually, compared with the ccurrent rate of $2.

Canada Malting Co. has paid $2 a share in recent years, but previously was able to pay only $1.50 a share. This is a very good record, but the company does not express assurance of being able to maintain bonus payments above the regular $1.50 rate

Consumers Gas Co. has paid a dividend of $10 a share for more than 60 years, but recently increased its gas rates because the payment of this dividend, coupled with rising costs had reduced its reserves.

Dominion Bridge Co. has reduced its dividend rate to $1.20 a share, or one-third of the rate paid in 1930. The company is a leader in the building field, which, however, is liable to fluctuation.

Fanny Farmer Candy Shops has been expanding rapidly in the United States, and consequently has been able to adopt a dividend rate over four times the predepression level. The regular rate is $1 a share, and extra payments are being made, which give a possibility of $2 annual rate.

Extra Payments

Goodyear Tire & Rubber Co. has been paying a regular rate of $2.50 a share, and last year declared a bonus of $2.50. But it cannot be certain what the amount of the bonus might be in future years.

International Petroleum Co. has paid dividends regularly. The company's $2.50 rate has resulted in deficits even though these appear to be of nominal character. The fact that a substantial part of the dividend is declared in the form of an "extra" suggests that over the years there may be changes.

Laura Secord Candy Shops has maintained a rate of $3 a share for years and appears able to continue it.

Loblaw class A and B shares are paying a rate of $1 annually and an extra of 12½ cents a share was paid this year. This company has had a very good record of gradually increased payments.

National Breweries has raised its former rate of $1 a share to $1.50 a share and more recently to $2 a share annually, which is a very satisfactory record and reflects the stable and substantial earnings.

Page-Hersey Tubes formerly paid $5 a share dropped to $3 a share in the depression and is now back to a basis of $4 a share annually.

Steel Co. of Canada is maintaining a regular $1.75 a share annually, and is also paying extra to equalize the participation with the preferred. But the record shows that the company has fluctuating earnings, despite its great strength.

Supertest Petroleum Corp. has paid regular dividends through all the depression years, but is not as strong an organization financially as the larger oil companies.

No Sure Thing

You will see that in cases where dividends are growing there is an advantage in holding stocks of this type, but that there are always possibilities of changes downward, as in the case, for instance, of Bell Telephone. If your idea is to buy common stocks merely for stability of income, you might do as well in buying bonds. If, however, your idea is to have stability of dividends but with some possibility of growth you should take into consideration the fact that there is a risk element in both income and market value.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

Crop Yield For Manitoba
Greatest in Sixteen Years

Concentrate
Your Advertising
In the ONE Medium
That Commands
This Money
Market—

If There Ever Was a Time
To Advertise in Manitoba
That Time Is Today

• MANITOBA this year has great reason to be thankful—besides harvesting the largest crop in sixteen years, government estimates indicate the cash return from agriculture will be nearly double that of last year. Added to this encouraging outlook are substantial gains made in the livestock, poultry and industrial markets. Dairy produce, for example, established a record this year. Prices in every department are more favorable than for some years past. It can be truthfully said THIS IS MANITOBA'S YEAR.

CASH VALUES OF MANITOBA CROPS

1937—	WHEAT	$52,000,000
	OATS	$17,000,000
	BARLEY	$15,000,000
		$84,000,000
1936—	WHEAT	$24,920,000
	OATS	$ 6,732,000
	BARLEY	$12,154,000
		$43,806,000
1931-35 (Average)	WHEAT	$16,709,000
	OATS	$ 5,957,000
	BARLEY	$ 5,176,000
		$27,842,000

This means Manitoba offers the manufacturer a potential market nearly twice as large as that of last year—and a buying public in the most receptive mood for sixteen years.

Plan your sales programme accordingly to reap the fullest benefit from these greatly improved conditions.

The *Winnipeg Free Press* is the ONE medium that commands this vast market.

Cultivate this "money belt" by telling your sales message in

THE WINNIPEG FREE PRESS
LARGEST CIRCULATION—LOWEST MILLINE RATE

EASTERN OFFICES
330 BAY STREET, TORONTO
225 CONFEDERATION BLDG., MONTREAL

U. S. REPRESENTATIVES
HENRY DE CLERQUE, INC.
NEW YORK — CHICAGO — SEATTLE

A. P. COLLIER
TRAFALGAR SQUARE
LONDON, ENG.

Trans-Canada Receives First Of Plane Fleet

First of New Ships Delivered at Vancouver — More to Come

From Our Own Correspondent

MONTREAL.—Trans-Canada Airlines has received the first of the fleet of new Lockheed planes, which will be put into service on the mountain route. Before the end of the month it is expected that two additional planes will be received at Vancouver for the Trans-Canada service, to be followed during the next few months by four larger planes.

The first plane received, which has a capacity of 10 passengers, as well as pilot and co-pilot, will be used for the training of pilots in instrument flying. It has a maximum speed of 205 miles an hour, a cruising speed of 183 miles an hour, and a cruising range of 720 miles.

The other planes to be delivered before the end of the month will be identical to the one already received, while the four other planes of the fleet of seven will be 14-place Lockheeds. They will be the largest and speediest type ever used in regular scheduled air line service in Canada.

Travellers

Lieut-Col. Herbert Molson has returned to Montreal after a trip to the Pacific coast.

Dr. Lewis W. Douglas, newly appointed principal of McGill University sailed last week on the Queen Mary for England.

Alan Plaunt, director of the Canadian Broadcosting Co., has returned to Ottawa from a visit to the Continent.

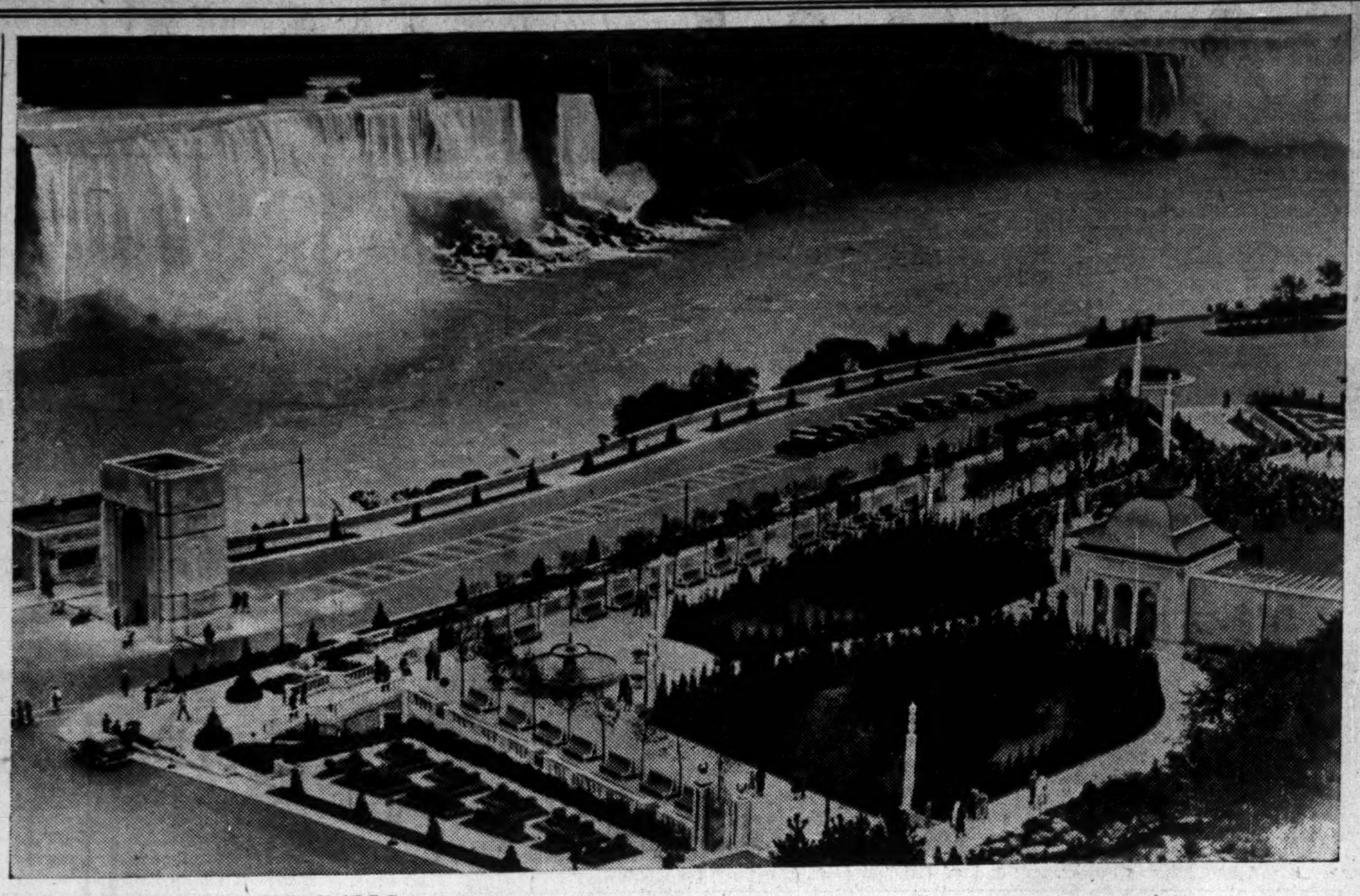
Dr. Jean Lacerte, of Quebec, has sailed for France where he will spend a short time before proceeding to Austria to take a special course in medicine.

David Drummond, manager of the Canadian Pecific offices in Hong Kong, arrived in Canada on the Empress of Britain.

Among the 300 passengers of the Empress of Canada sailing for the Orient are **F. A. McQueen** and family, of Toronto, on their way to Hong Kong.

Canadian Week

White Sulphur Springs, West Virginia, is celebrating Canadian Week this week with a special programme designed to attract tourists from the Dominion. Orchestras have been giving prominence to Canadian and British songs while Canadian flags have decorated ballrooms.



A BOX SEAT AT THE FALLS

The latest and most spectacular development in the Niagara Parks Commission's long term programme for beautifying the Canadian approach to the falls, the Oakes Garden Theatre (above) was officially opened three weeks ago. At the left is shown the memorial arch commemorating the pioneers of Canada and dedicated by Rt. Hon. W. L. Mackenzie King, Canada's Prime Minister, this year, the centenary of the Mackenzie rebellion of 1837. On the extreme right is one of the pavilions and a section of the glass-covered pergola which forms the back of the theatre auditorium. The picture is taken from the northwest corner of the garden and shows the panoramic view of the falls obtainable from almost any section.

Where Beauty Pays Dividends

Oakes Garden Theatre at Niagara Falls Ont. Drawing Card for Tourists

Fire, chance and the combined shrewdness and generosity of Harry Oakes have contributed a new and completely unique show place to draw Canadian and American tourists to Niagara Falls.

Three weeks ago, on the site of old Clipton and Lafayette hotels, the Oakes Garden Theatre, product of the last word in landscape architecture, was officially dedicated and thrown open to the public. Niagara Parks Commissioners boast, with some justification, that there is nothing to parallel it on the North American continent.

Standing between the Canadian entrance to the Suspension Bridge and the north entrance to Victoria Park the new garden provides a grand gallery to Canada's most popular scenic show. To the American motorist crossing by this bridge it is the first glimpse of Canada.

Harry Oakes, Lake Shore mining magnate, has yet to see the development which bears his name. He faded from the picture after deeding the valuable site to the Niagara Parks Commission and is now ensconced among the palms of Nassau.

Space and Cost Conserved

The Parks Commissioners with a free hand to do what they liked with the property determined first of all to waste neither space nor money in its use. They have succeeded. Long hours of planning and replanning lie behind the two years of actual construction. A full-sized model of each major feature of the Garden was built before its final acceptance. A 20-foot section of the main terrace wall and the balustrade topping it was constructed in wood, painted to represent stone and set in place before the Commission was ready to agree that they had obtained the best architectural effect. A complete replica of the main fountain from which water will be pumped at the rate of 300 gallons per minute was made in the Toronto offices of the architect.

By using Parks Commission equipment labor costs, it is claimed, have been cut substantially. Even the massive wrought iron gates have been hammered out in the Parks Commission forge.

Site of Three Fires

Fate long ago had decreed that the three and a half acre garden theatre site was not to be monopolized by a hotel. Three successive Clifton Houses each built on the ruins of the last have been wiped out by fire. After the last of these fires in 1932 mine wealthy and land acquisitive Harry Oakes, at that time heavily interested in the General Brock Hotel, which stands behind the site, paid some $500,000 for it and ended the hotel era.

About three years ago Oakes, to round out one of his properties, needed a strip of land which the Niagara Parks Commission had bought originally for $7,500 and which was being used as a tree nursery. In exchange he offered the commission a 40-foot strip of the Clifton site to allow for widening the River boulevard. Parks Commissioner J. C. M. German was delegated to negotiate the deal and, accompanied by C. E. Kaumeyer, the Commission's general manager, held a series of conferences with Oakes's manager. The result left the Commission in possession of the entire Clifton site, gave Harry Oakes the land he wanted and led to the creation of the Oakes Garden theatre.

Commissioners give the full credit for the garden theatre idea to Hon. T. B. McQuesten, Ontario's Minister of Highways and the man who has said that his great ambition is to go down in history as the designer of a certain rockery in Hamilton, Ont. Many meetings of the commission were held, however, before it was finally decided what to do with the ugly blot of charred debris and weeds which was disfiguring one of Canada's most famous drives. Two landscape gardening designs were submitted to the Commission and the job finally awarded to Dunnington Grubb and Stensson, Toronto, garden architects. This firm worked six months to produce the model for the garden theatre.

Tons of Rock Blasted

Work on the theatre was first started two years ago. The entire three and a half acres were excavated down to bed rock. Then for three months a Park Commission blasting crew tore out hundreds of tons of rock to get the required levels—a ticklish job with a steady line of motor traffic on one side of them and two modern hotel structures across the street on the other. From the upper street the excavation, when completed, dropped 26 feet to the level of the River Boulevard.

The entire project—a few minor details have still to be completed—will cost something over $200,000, and, according to the Commission, will be paid for out of revenues. Over the two years a crew of day laborers averaging 100 men has been employed continuously. The work has been under the direction of Parks Commission engineers and Blake Irwin, a local engineer.

With the exception of imported trees and plants the whole garden is a product of Canada. Terraces, pavilions, lighting standards are all constructed of Queenston limestone. Paving stones have also been quarried in the Niagara district except where design called for the interspersing of a slate grey stone with the light. For this dark stone the Commission did a little second hand shopping and obtained what they wanted from the recently demolished Hamilton post office building.

Canadian Botticino marble, used for certain effects, has been taken from quarries at Bancroft, Ont. Artificial stone for flower tubs and for the benches, specially designed for the garden by Dunnington Grubb, is the product of another Canadian firm.

French Design

The general style of the garden theatre is early 18th century French, formal designs in shrubbery, trees and flower beds making use of every available inch. The main theme of an outdoor auditorium facing the falls has never been overlooked in the design. At the same time the Commission stipulated that there must be plenty of promenades and show places to accommodate the crowds.

To do all this in less than four acres intensive landscaping was vital. Shrubbery and trees all take their place as structural as well as ornamental features. Stone terrace walls which by next year will be almost completely covered with rose and flowering crab creepers surround the higher level.

The auditorium with an 80-foot opening overlooking both American and Canadian falls has been arranged so that at no point is the view cut off by tree or wall. Two pavilions joined by the graceful curve of a glass-covered pergola forms a sort of dress circle for the theatre. From this a grass sward falls away on an easy slope to the south eastern gateway where it converges with surrounding pathways. At this focal point a circular stone bandstand has been erected. For theatrical performance a temporary stage can be built in front of this bandstand.

On all sides of the auditorium the theatre garden falls away into a series of shrub-banked pathways, sunken gardens and a small waterway fed from an artificial cataract.

The auditorium is flanked by the promenade terrace about 17 feet above the boulevard level and lined by English lime trees which, when fully grown, will form a wall of square cut foliage. Other foliage and shrubbery has been massed at regular intervals, the whole thing ingeniously devised to give the illusion of space.

Next year the garden theatre will provide a show place for innumerable varieties of foreign plant life from all quarters of the globe. The 16 acres of Parks Commission nursery include 1,500 of these varieties but the lateness of the season this year prevented transplanting.

Building Soil on Rock

To build up the gardens from bed rock thousands of tons of earth and loam have been trucked by the Commission from adjacent land. Flower beds, some of them less than a foot square and containing only one tree or shrub, have been sunk in the stone foundation to give a depth of eight or ten feet of soil.

One small detail of the work caused hours of worry to the architect. To get the correct blending of color he needed a certain shade of buff on his pathways. Several samples of chipped stone were examined and discarded before a chipped marble was found which fitted the scheme. The same difficulty was encountered for some of the formal flower beds where the soil has been covered by a coral-pink chipped granite.

Visitors to the garden will miss the old familiar hoses spraying shrubbery and pathways indiscriminately. Thousands of feet of piping have been concealed through the beds and one turn of a tap will start hundreds of tiny sprays wherever they are needed.

Lighting Arrangement

At vantage points through the garden are scattered octagonal limestone pillars. The design of these has been copied from old Italian gardens where they are used as ornaments only to break lines of shrubbery. In the Oakes theatre they have been turned to the utilitarian purpose of lighting standards and are topped by an ultra modern design in electric lamp.

Opened only a few weeks ago the Oakes garden theatre has already, it is estimated, increased the fall tourist trade at the Falls. Parking space provided in the centre of the River boulevard in front of the Garden is filled almost constantly. Surrounding restaurants have reported an increase of business over last year dating from the opening and bus services report numerous passengers carried to the Falls for the specific purpose of viewing Canada's new show place.

Quebec Government May Aid Universities With Grants

From Our Own Correspondent

MONTREAL. — Expenditures of the Province of Quebec on education may be increased by $1 million in the near future because of additional financial assistance contemplated for universities within the province.

Hon. Albini Paquette, provincial secretary, has indicated that the provincial government will come to the aid of the University of Montreal which has been in financial difficulties for some years. Steps will probably be taken in the near future, he said, to provide the university with approximately $250,000 with which to pay salary arrears and to purchase needed equipment.

In addition, the University of Montreal needs about $3.5 millions to complete its new buildings and it has been suggested that the university should be granted the authority to issue bonds for this amount under a provincial guarantee. Dr. Paquette thinks that the annual requirements of the institution for interest, sinking fund and other purposes will be approximately $600,000.

Laval University is also in need of financial assistance, its needs being estimated at about $150,000 annually. With McGill University also to be considered, Dr. Paquette envisions a university budget of $1 million annually.

Hunters Ready For Trip North

Deer and Moose Seasons Vary With Provincial Laws

The annual pilgrimage to Canada's bushlands for the sacred rites of the killing of the moose has started. The businessman, product of a complex and rather baffling civilization, is preparing to shake off his 20th century repressions and for a few days go back to the comparatively primitive life of the backwoods. If he gets his moose—it can cost him anything from $50 to $500, depending on his particular ideas of the primitive life—he will have something to talk about for the rest of the winter. If he doesn't he has shown himself how tough he can be and is ready to come back to his office and his furnace-heated home.

By the same token, Canada, having said good-by to her summer hotel and tourist camp guest, is ready to play host to her second contingent from across the border, a contingent equipped with rifle and windbreaker. Reports from American travel agencies indicate a substantial increase in the trek to Canada this year.

Open Seasons

Ontario, for the purpose of the moose and deer hunter, is divided into three districts. In the first district which extends from James and Hudson Bay to a boundary marked by the Canadian National Railways line from Cochrane to Minaki on the Manitoba border, the season opened on Sept. 15 and will extend to Nov. 25. South from the C. N. R. line to Sudbury and North Bay the season is from Oct. 15 to Nov. 25. In the third district extending roughly as far down as the French River and the northern shores of Lake Huron the season will open Nov. 1 and close No. 25. In eastern Ontario from North Bay southward the season is from Nov. 5 to Nov. 20.

Quebec game laws allow killing of deer and moose north of the St. Lawrence River from Sept. 10 to Nov. 30. South of the St. Lawrence the season is from Sept. 20 to Nov. 30.

The open season for bull moose and deer in Nova Scotia has been restricted this year to 11 days, from Oct. 20 to Oct. 31, while the Province of New Brunswick by an Act passed at the last session of the Legislature has declared a close season for the killing of bull moose.

Travel Notes

Atlantic City Golf

The fall season for golf is well under way in Atlantic City where enthusiasts chased south by the nip of northern autumn are congregating. Plans have been completed for the first annual invitation tournament for the Clarence H. Geist trophy at the Sea View Golf Club, Oct. 22, 23 and 24.

• • •

Cunard Sailings

For the first nine months of next year, Cunard White Star steamers—Queen Mary, Berengaria and Aquitania—will make 43 express sailings from New York to England and France, the Queen Mary leading with 16, the Aquitania 12, and the Berengaria 11. In addition the Aquitania will make a cruise to South America.

• • •

Sailings For Month

Among tours to the West Indies from New York listed by Thomas Cook & Sons in the next month are the following:

Nine-day cruise to Nassau and Havana on the S. S. Carinthia, sailing Oct. 23, Nov. 3, Nov. 13 and Nov. 24.

Nine-day cruise to Port au Prince, Kingston and Havana, S. S. Columbus, Oct. 23.

Nine-day cruise, Nassau and Havana, S. S. Rotterdam, Oct. 30, Nov. 10.

Eleven-day cruise to Port au Prince, Kingston and Havana S. S. Gripsholm, Nov. 19.

Seven-day cruise to Bermuda and Nassau, Q. Bermuda, Nov. 30.

• • •

Bahama Circle Cruises

A new interisland steamship service will soon be inaugurated among the Bahama group and is expected to open up new beauty spots hitherto inaccessible to the Canadian traveller able to spend only a limited time on his trip. At present these islands, known as the "out islands" have only a two-weekly mail service. The programme about to be inaugurated will offer tourists a circle trip of a dozen or more islands. Harbor Island, six hours from Nassau, is among those which it is expected to benefit.

• • •

Handel Museum

A movement has been started to secure for England the London house, 25 Brook Street, in which Handel lived for 34 years, where he composed the "Messiah" and where, in 1759, he died. It is the only remaining house in Europe that is associated with this great musician. It is proposed to make the house a Handel Museum, and if the scheme succeeds one of its results would probably be the revival in London of the famous Handel Festivals.

MIX THE TANG OF OCTOBER WITH THE TONIC OF THE SEA

Nothing is so heartening as this season by the sea —unless it's the entertaining hospitalities that go with it within these beachfront hotels.

CHALFONTE HADDON HALL

Leeds and Lippincott Company

ATLANTIC CITY

IN THE SMART EAST 50's

OPPOSITE THE WALDORF-ASTORIA

● Ideal environment and every service for pleasurable living. Spacious rooms with serving pantries and electric refrigeration. Excellent restaurant and duplex cocktail lounge • air conditioned.

SINGLE $4 • DOUBLE $6 • SUITES from $8

Special monthly and yearly rates

The Beverly HOTEL

Wm. A. Buechel, Manager

125 EAST 50TH STREET • NEW YORK

Winnipeg's Newest Hotel

The Marlborough

In the Heart of the City

Fireproof Construction

European Plan

Rates in Keeping With the Times

250 Rooms

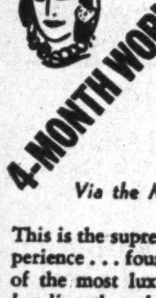
Golf at The Cavalier

Our two 18-hole courses are sporty but not forbidding. Superlative scenery, with pine woods, streams and lakes, sand and rolling greens, amid the salty fragrance of the ocean. The clientele is selective.

The Cavalier Hotel and Beach Club

Virginia Beach

Empress of Britain



4-MONTH WORLD CRUISE

From New York January 8, 1938

Via the Mediterranean

This is the supreme travel experience . . . four full months of the most luxurious *vagabonding* that the world can offer. 108 places. 57 days in port. Private trains and the best of 22 countries. Fares as low as *$2300 ($18 per day)* including exceptional shore programme. Details from YOUR OWN TRAVEL AGENT or

E. F. Thompson, Steamship General Agent, Canadian Pacific Building, Toronto.

Canadian Pacific

bank with BARCLAYS

BARCLAYS BANK (CANADA) offers a complete service to firms and individuals having domestic banking requirements, and places at the disposal of manufacturers and merchants, the Empire-wide banking service of the Barclays Group of Banks maintaining over 2,900 offices and with resources exceeding three billion dollars.

BARCLAYS BANK (CANADA)

MONTREAL 214 ST. JAMES STREET

TORONTO 60 KING STREET WEST

BEVERLY HILLS Hotel AND BUNGALOWS

New Rooms and Suites

New Swimming Pool

New Blue Terrace Room

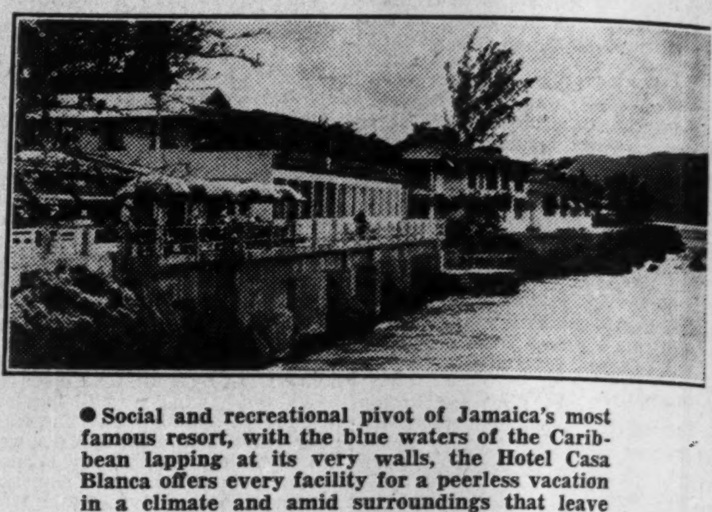
Ten Acres of Gardens

American Plan

Ideal Year 'Round Climate

BEVERLY HILLS, CALIF.

Follow Glorious Summer to JAMAICA'S CASA BLANCA



● Social and recreational pivot of Jamaica's most famous resort, with the blue waters of the Caribbean lapping at its very walls, the Hotel Casa Blanca offers every facility for a peerless vacation in a climate and amid surroundings that leave nothing to be desired.

Every sport —motoring—entertainment—dancing. Restfully dignified public rooms—cool, comfortable bedrooms with bath, the majority with balcony sitting rooms — attractive cottages if you prefer—distinguished fellow guests—a genuinely friendly atmosphere—a cuisine that is renowned in three continents.

Consult your travel agent or write to

HOTEL CASA BLANCA

MONTEGO BAY

JAMAICA

B.W.I.

IMPERIAL BANK OF CANADA

BANKERS TO THE CANADIAN PUBLIC

3 Outstanding Hotels IN 3 FINE CITIES

NIAGARA ROARS ITS MIGHTY WELCOME!!

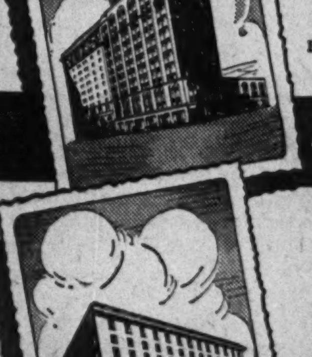
Commanding the finest possible view of the seventh wonder of the world, the beautiful General Brock is also world famous for its sun deck and magnificent Rainbow Deck.

Ronald P. Peck, Resident Manager

General Brock Hotel

NIAGARA FALLS, ONTARIO

IN THE HEART OF ORCHARDS AND INDUSTRY!!



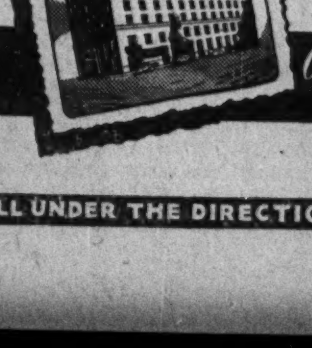
Serving the rich agricultural and industrial Niagara peninsula, the Royal Connaught's far famed hospitality has become international tradition.

H. Alexander MacLennan, Resident Manager

Royal Connaught Hotel

HAMILTON, ONTARIO

SIX MINUTES FROM THE HEART OF DETROIT!!



One of Canada's really outstanding hotels, the beautiful, modern, 300-room Prince Edward is in the centre of Windsor—yet by tunnel—only six minutes from Cadillac Square, Detroit.

Harry A. Peters, Jr., Resident Manager

Prince Edward Hotel

WINDSOR, ONTARIO

Of course, when in Montreal, it's the beautiful Mount Royal Hotel.

ALL UNDER THE DIRECTION OF VERNON G. CARDY

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 16, 1937 | 10c a Copy; $5.00 a Year | No. 42

Great Britain's Fireproof Premier

Failing to be Ignited by Inflammatory Trends in Europe and Asia, Neville Chamberlain Applies Competence Toward Preservation Of Peace

By CANADIAN OBSERVER

Rt. Hon. Neville Chamberlain has been prime minister of Great Britain three months and yet remains almost as great an enigma to the British public as he was on that August day in 1923 when he wrote in his diary: "What a day! Two salmon this morning, and the offer of the Exchequer in the afternoon."

That offer came from Stanley Baldwin, and Chamberlain did not accept because he believed there were other capacities in which he could serve more usefully.

Few, in that day, could have imagined that Baldwin was writing to the man who would succeed him in the leadership of the party and the premiership of Britain, and perhaps the greatest sceptics of all would have been the two concerned in the offer and the refusal.

Contrast in Personalities

Yet, today, Mr. Chamberlain is the occupant of 10 Downing Street and his leadership of the central government in the greatest Empire of modern history is being watched with eager, fascinated interest at home and abroad. No one, possibly not even Mr. Chamberlain, feels safe in charting the future course. Yet this uncertainty has bred no misgivings or fears in the party he rules, nor undue optimism in the opposition parties. His supporters feel that Chamberlain will make good, though they do not pretend to know how he will do so. His opponents exhibit none of the eager impatience which betrays a belief that their position has been greatly improved. On the contrary, they are looking to their weapons and are endeavoring to forge new ones. The change from Baldwin to Chamberlain has been made without shaking the strength of the National Government. Yet no more profound change, in terms of personality, could be imagined.

Stanley Baldwin had become to Britishers as familiar and comfortable as are a pair of well worn carpet slippers.

Precise, Passionless

The change to Chamberlain is like going from the hearty, friendly atmosphere of a cross-roads inn to the impersonal, ordered efficiency of the laboratory; like cutting out the warm heart and putting in a bloodless automaton. Mr. Chamberlain, no doubt, is much as other men, but no one thinks of him as a human being. He is looked upon as efficient, unemotional, precise, passionless. Love or hate, sadness or elation, seem not to have touched him.

It was quite in character for Mr. Baldwin to tell his countrymen that he had been all wrong; had made serious mistakes (as in the Hoare-Laval episode). Everyone knew that he had not escaped his share of the national heritage of muddle-headedness. But who can imagine Mr. Chamberlain doing likewise? Perhaps on small matters of taxation he may substitute one tax for another to please the great folk in the city, but major error, it is believed, is not in him and freedom from it is, in sharp contrast with his predecessor, his chief political asset.

The Name and the Man

Most that people think they know about Neville Chamberlain will prove, on examination, to spring from the name and not the man. They think of him in terms of his father "Joe" and his step-brother Austen. Joseph Chamberlain left the tradition of imperialism, empire tariffs, empire economic solidarity. Austen achieved his career largely in the shadow of his father's reputation, adding to it, however, a halo of exalted integrity, unswerving trueness to the causes in which he believed, the statesmen with whom he was associated.

If he was little known to England, Neville Chamberlain was even more of a stranger to the Empire. It is said, and it has not been contradicted, that Mr. Chamberlain's personal knowledge of the Empire is restricted to his brief visit to Ottawa in 1932 and a sojourn in the Bahamas. How many in Canada, prior to last January, had the foggiest notion of who Neville Chamberlain was and what he stood for? A handful of politically minded persons at Ottawa would doubtless recall the stories of the row he had with Mr. Bennett in 1932—which rumor says has never been made up and is unlikely to be so.

It is the fact that everyone, in England and the Empire, failed to figure Neville Chamberlain accurately.

The national government supporters accepted him, as did the country. Having accepted him, however, everyone seems to have been busy trying to find out something about him. The first reaction, that he was a Chamberlain and, therefore, would follow in the tradition of his father and step-brother, has had to be abandoned. Premier Chamberlain has given little indication of being a chip off the old block. Nor has the bloodless, mechanical, efficient theory fared much better. Pursuing his own bent, unmindful of the curiosity of the public, Mr. Chamberlain has given the country one surprise after another. At the moment, it is true to say that little remains of the personality which was thrust upon him when he first became prime minister, and that the British people have still to form a new opinion.

Chamberlain Background

Joseph Chamberlain emerged from industrialism into public life as the radical, hotheaded mayor of Birmingham—so radical that royalty gave a wide berth to the city which honored so desperate a red. Later came Chamberlain the Liberal, the Imperialist and the Tory. For some time the family fortune had been shrinking and in an effort to retrieve it, Joseph Chamberlain bought 10,000 acres in the Bahamas, planted them to sisal. In 1890, Neville went out to manage the enterprise. He was 22 and stayed with the plantation seven years. The venture failed because the soil was too shallow to keep the sisal plants alive. Neville returned to Birmingham to become a businessman. He succeeded and in 1915 entered municipal politics as lord mayor of his home town.

Then, when he was nearing 50, he forsook business and local government for the national sphere. Lloyd George, in search of men of "push and go," selected Neville to be director of a war creation—the National Service Board. The object was to organize the manpower of the nation. Chamberlain took the job but there was nothing for him to do. He could neither understand Lloyd George nor work with him. After a year he resigned, his prestige having been substantially lowered. Lloyd George said of him, and has studiously refrained from amending the opinion, that he lacked initiative, had no imagination and brought to the job only a rigid competence.

Early Politics

Many believe that Chamberlain stood for Parliament in the armistice Hang-the-Kaiser-election because he felt he had been badly treated and desired to demonstrate his ability. And so he became a back-bencher. He worked hard, and seemed destined for a career of occasional speech-making in the Commons and much corner-stone laying in the Birmingham area.

RT. HON. NEVILLE CHAMBERLAIN

Actually, his initial failure was extremely lucky. When the Lloyd George coalition was overthrown, most of the ranking Conservatives followed Austen Chamberlain into the wilderness, leaving the front bench open to such as brother Neville.

Bonar Law made him postmaster general, without Cabinet rank, later on paymaster general, and finally minister of health. The first two appointments were brief and unimportant. Chamberlain found the task for which he was ideally suited in the new ministry of health, which was a combination of the local government board and the social services. Just before the "surprise" defeat of 1923, Baldwin offered him the exchequer, which he refused. After Labor had muffed its first chance in office, and Baldwin was restored to power, Chamberlain went back to the department of health.

With England feeling the first pinch of depression, and with accumulated problems of housing and of local government to be dealt with, this was a key department, possibly the most dangerous post in the Cabinet. Chamberlain's handling of these problems was much more than impressive: there was a touch of genius in the sureness with which he rebuilt the British system of local government, devised machinery for the clearing of slums and the building of houses, grappled with problems of relief and poor law administration.

Chancellor of Exchequer

Chamberlain went into opposition with his party to return in the national government, called into being by the crisis of 1931, as chancellor of the exchequer. The man who had presided over the great spending department was now head of the great collecting department. He had a clean "break" of six budgets. The first was fashioned in the shadow of national bankruptcy: the last was presented to a prosperous country, faced with a colossal outlay for rearmament.

The foundation of Chamberlain's fiscal policy has been: a balanced budget; abandonment of free trade and the adoption of moderate protection; conversion of the public debt at lower interest rates; control of currency fluctuations through an exchange equalization fund. There has been little attention paid to political advantage. Chamberlain taxed heavily (not even sparing tea). He cut payrolls, reduced relief benefits, and raised the income tax. As times improved pay and relief cuts were restored, but taxation remains at a level scarcely comprehensible to a Canadian. The income tax runs to nearly 25 per cent on an income of $5,000.

No one studying the Chamberlain touch will find any magic formula for success. He believes in and practises the old rule of paying your way and it speaks something for the British taxpayer when he will bear burdens of the size heaped upon him and do it cheerfully rather than have his national government spend more than it earns. In England, an occasional person leaves money to be applied against the national debt: a bright touch which few if any Canadian ministers of finance have ever experienced.

Sparks of Sentiment

In nearly two decades of parliamentary activity, with all the stump speaking involved, there are only three occasions (at least painstaking search reveals but three) when Neville Chamberlain's voice trembled and his dark eyes reflected emotion

Once in his early days as minister of health he spoke at Leeds on the social services; "One must remember what happens to the family when the mother is taken way . . . . My mother died in childbirth." His voice wobbled. Then shocked at having brushed so close to sentiment, he plunged into masses of his favorite statistics.

When he moved the resolutions bringing higher tariffs to Britain and realizing his father's cherished dream of Empire preference, he said: "These proposals which are the direct and legitimate descendants of his own conception, will be laid before the House of Commons, which he loved, in the presence of one and by the lips of the other of the two successors to his name and blood."

Yet again, when announcing rearmament expenditure Chamberlain's voice broke as he declared that England must turn aside for the present from more generous social expenditures and greater assistance to the underprivileged.

Neville Chamberlain is 68, only eighteen months younger than Mr. Baldwin. Political observers seem uncertain whether to regard him as merely a carryover premier, a bridge between the older and the younger generations, or as one who will carve a place for himself in history. Apart from a balanced budget, sound finance his speeches indicate no rooted convictions. He takes as much credit for lowering tariffs as he does for raising them.

Carry on Policy

Since becoming prime minister, Mr. Chamberlain has made five pronouncements to the public, four speeches and one signed article in the July number of "Home and Empire." In his five pronouncements, he has made it plain that there is to be no break with the Baldwin policies, although he concedes the great difference temperamentally between himself and his predecessor. This means that the national party (Unionists, Liberals and Laborites) is to be held together. It means, also, that Mr. Chamberlain, like Mr. Baldwin, will endeavor to keep as far to the left as possible.

Those who expect Britain, under Chamberlain, to revert to stand pat Toryism, will be disappointed. Careful study of his public statements shows that he has charted for his Government the widest possible course.

He stands for rearmament.

He hopes to "remove the causes delaying the return of confidence to Europe."

He proposes, within the bounds of sound finance, to go on with his health programme and improve the physical standard of Britons.

On the League, his position is clear. His Government will pursue the "ideals" of Geneva, recognizing that limitation of membership hampers the League's effectiveness.

He believes that the League "must" be preserved and everything possible done to bring back the absentees. In this respect, Mr. Chamberlain and Mackenzie King are in fairly close agreement.

Superficially, the Chamberlain programme is a tissue of contradictions. He stands for protection at home, protection within the Empire, a trade agreement with the United States, and the reduction of world barriers to trade. Mr. Chamberlain's is not a black and white mind. On the contrary, much in his thinking seems shadowy, even dim. His objectives could be achieved partially, and in compromise fashion. His programme stamps him, clearly, as a British business type: the practitioner of moderation and compromise.

Programme of Peace

But the immediate problem confronting his Government is that of maintaining peace. Chamberlain recognized this in his first major speech in the Commons (June 26) when he said: "I have read that in the high mountains there are sometimes conditions to be found when an incautious move, or even a sudden loud exclamation, may start an avalanche. That is just the condition in which we find ourselves today. I believe, although the snow may be perilously poised, it has not yet begun to move. By exercising caution and patience and self-restraint we may yet be able to save the peace of Europe."

It is in this sphere that he has first put his technique to the test. Mr. Eden, foreign secretary, is being held more tightly in control by Mr. Chamberlain than he was by Mr. Baldwin. He is not yet reduced to the status of Lord Curzon under Lloyd George, when he complained that his only function was to hold the seal of office and sign passports. But he isn't far away from it. The Prime Minister has intervened and in the past three months, the effectiveness or otherwise of the Chamberlain touch has been revealed.

In this touch he is still the man of business. Mr. Chamberlain is firmly rooted in a belief that common sense is widely diffused. His approach to Hitler and Mussolini is the approach of one businessman to another; their phobias against communism, democracy; their anti-semitism, intolerance, excessive nationalism and their mystical belief in racial superiority, in their glorious destinies—all these seem to Chamberlain to be unreal and nonsensical. This sort of a Hitler or a Mussolini he brushes aside, finding them as grotesquely out of place and as superfluous on the European scene as characters out of Alice in Wonderland. Somewhere in these people there must be a core of hard reality, a rational mind capable of doing plain, honest business. Chamberlain's idea is that when you find the rational mind you discuss the international situation without reserve and you negotiate some sort of a deal.

No Racial Mysticism

Having this technique in mind, Chamberlain makes perfectly sincere overtures to the Nazis and the Fascists. He is willing and eager to meet them half way and to help solve their troubles. He undoubtedly is prepared to take chances on the good sense of his countrymen and, quite possibly, sacrifice British interests to some extent in the cause of world peace. Ideological passion has never touched him and things like racial mysticism simply do not exist.

Mr. Chamberlain, the plain businessman in high politics, has been doing his stuff for three months. On every hand he has been snubbed and rebuffed. Hitler cancelled the visit which the Nazi foreign minister was to make to London at Chamberlain's invitation. The Chamberlain letter to Mussolini has not brought any cessation of piracy in the Mediterranean by submarines. Appeals to Japan have been equally fruitless and evidence accumulates that the French Government is becoming so roused by the menace to her life line across the Mediterranean that she

(Continued on page 12)

Britain's Relief Pattern

Careful studies of the course pursued by Rt. Hon. Neville Chamberlain when, as minister of health, he was faced with the unprecedented problem of setting up machinery to carry Britain's workers through the depression, might be profitable to Canadians.

Chamberlain recognized the inability of municipalities to shoulder the burden of relief and greatly increased the grants from the national exchequer. He made equally generous contributions toward housing.

In these and related matters he held tenaciously to the theory that in local matters nothing can compensate for local administration. The municipal authorities he felt ought to be able to provide more efficient administrative machinery than could be created by a national government. But ratepayers could not and should not be required to bear the cost of relief. The same applied in housing.

More than that, Chamberlain put through a rating and valuation act which greatly reduced local taxation on industry. The national exchequer made good such losses to the municipalities. His object, here, was to equalize industrial opportunity as between various centres, to prevent the cities in depressed areas from being pushed lower because of their need to tax higher and thus recoup their losses due to the depression. In unemployment relief, he put in the "means" test, which, in principle, meant that relief should be judged in the case of each individual by the need. The poor law administration was simplified and made more efficient.

No act of Chamberlain's has been more controversial than the "means" test. Labor resisted it both in parliament and the country; made it the chief charge against the Government.

Yet general elections and by-elections have taken place and Chamberlain's policy endures. Certainly, the measures which gave relief to municipalities and industry are regarded by the local authorities as fundamentally sound and as having forestalled a crisis in municipal finance.

Today, a city like Manchester draws one quarter of its revenues in grants from the central government. There is uniformity in the method of calculating these grants but the determining factor is need. The usual method of allocating grants—the per capita one—made no appeal to Chamberlain. He gave grants based on ratable value per capita, the percentage of unemployment, the number of children under five years of age and so on. In the result, Glasgow (the hardest hit of the major cities) gets much more per head of population than London, and Manchester fares better than Birmingham.

The success of Chamberlain's policies in the health department is nowhere seriously challenged today. In his years in this, the great spending department of the British ministry, he added greatly to the outgo, but he got results. Under his housing policies, construction has run into the millions of units.

A Programme for Mr. Hepburn

An Editorial

The Hepburn Government has received a new mandate from the people of Ontario.

In a "surprise" election held a full year earlier than was necessary, Mitchell F. Hepburn, impulsive Liberal leader, has been returned to power with almost as overwhelming a majority as he first obtained in 1934. In that election he won 66 seats out of a possible 90. Last week's election gave him 63 seats.

In both elections Liberals polled almost 50 per cent of the total votes. Last week's returns show the Conservative opposition to have gained more seats (23 against 17) though their proportion of the total vote was reduced.

The previous Hepburn regime has been marked by a remarkable mixture of very good and very bad government. Impetuous, snap-judgment decisions offset many splendid, courageous achievements. That Ontario electors believe the good deeds far outweighed the bad, is evidenced by last week's voting.

What of the future? The fact that Mr. Hepburn has captured such an overwhelming number of seats and the fact that he has undoubtedly been returned to office by thousands who normally call themselves Conservatives impose an exceptional responsibility on the shoulders of the 41-year-old Premier.

Because the next five years may be vital ones in the life of Canada's premier province and therefore of all Canada, The Financial Post suggests herewith a six-point programme which it believes can and should be followed during the next five years. This is not in any sense a detailed or complete platform. It merely suggests certain broad principles which seem, at the moment, of primary importance for sound and wise government. Most of them apply with equal force to all governments in Canada.

1. Better Advisers

Most of Mr. Hepburn's early mistakes can be traced in large measure to poor advice on the part of those who held the Premier's confidence after his meteoric rise to the premiership. The majority of these counsellors have now disappeared.

This is Mr. Hepburn's first task: To exercise courage and discretion in the selection of the friends with whom he surrounds himself and in the selection of his economic and political advisers.

2. Sound Fiscal Policies

The most deplorable feature of the Ontario election was the foolish extravagance of the Government. After boasting for three years — with much justification — about balanced budgets, sound fiscal policies, tax reductions, etc., the Government turned about face and resorted to the old-time method of "buying" public favor by huge expenditures on highways, buildings, etc.

The danger of this spending orgy is that it shows how easily the purse strings of Government can be opened up even by an administration so well versed in fiscal common sense as the Hepburn Government.

There is clear need in Ontario for continued and conclusive evidence that sound fiscal policies will govern the new Hepburn administration.

3. Less Provincialism

In the past three years Premier Hepburn has often made newspaper headlines by his opposition to duplication of services between Federal and Provincial Governments. He will now have an unbroken opportunity to put these principles into practice. What is more important he will be in office at a time when the call for Canadian unity as against narrow provincialism will be the loudest and clearest since Confederation.

The Rowell Commission will commence its hearings at the end of this month. If its recommendations are to be worth the paper they are written on they must rise clear of political and geographic prejudice. The test of Mr

(Continued on page 12)

Canada's Trade Scouts

Commissioners Pay Their Way Many Times Over

From Our Own Correspondent

OTTAWA.—Is Canada's corps of trade commissioners worth the $700,000 a year which it costs the public treasury?

The work of these trading scouts stationed by Ottawa in every quarter of the world has been given prominence in the annual report of the Department of Trade and Commerce and the survey shows at a glance that the dollar-and-cents value of the commissioners and their assistants is well in excess of the cost.

For instance:

Late in 1935 the commercial attache in Paris was approached for a Canadian source of supply for Cobalt ore. As at that time most of the silver-cobalt mines in Canada were shut down, and as it was impossible to interest any suppliers by correspondence, the French firm was persuaded to send a representative to Canada early in 1936. Through letters of introduction to potential suppliers, he succeeded in forming a connection, which resulted in business valued at $88,900 during the balance of the year.

The commercial attache in Paris also made successful representations to the French Government for a supplementary import quota for Canadian canned salmon of 11,000 quintals during 1936. Results, business totalling $165,000.

Trade Turned to Canada

The trade commissioner in Johannesburg, learning that a director of a large departmental store in that city was leaving for New York on a buying trip supplied him with a letter of introduction to the Canadian trade commissioner in New York, at the same time advising his colleague of the type of goods in which the South African merchant was interested. The New York office succeeded in inducing him to visit Montreal, where he placed an order for ladies' wear aggregating $27,900 and, in addition, left open orders with two firms for monthly shipments of from 200 to 300 dresses valued at from $4 to $6 each.

Nova Scotia Apples

Since the conclusion of the trade agreement between Canada and Germany, the trade commissioner in Hamburg has been active in assisting German firms to secure import permits for Canadian apples, at the same time keeping in close touch with the supply situation through the fruit trade commissioner in London. The consequence has been orders to the value of $277,000 for Nova Scotian shippers.

When the Trinidad government was in the market for two tank cars the trade commissioner at Port of Spain forwarded to Ottawa specifications which inspired a Canadian firm to quote. In the meantime he persuaded the local government to delay placement of the order until the Canadian firm's quotation was received. The order was subsequently increased to six tank cars and placed with the Canadian firm, followed by a later order for 10 flat cars. The value of these orders was $25,800.

Seed Potato Export

A severe shortage of seed potatoes in Argentina, due to an almost complete crop failure, made necessary imports on a large scale. The trade commissioner in Buenos Aires placed before the Argentine authorities information regarding varieties, methods of production, and certification in Canada. At the same time, the New Brunswick department of agriculture and Canadian producers were advised of the possibilities of the situation. Through the trade commissioner's efforts the Argentine government eventually sent an official of their department of agriculture to Canada to investigate the Canadian industry and make large purchases on their behalf. The total of the business was 60,000 barrels valued at $240,000.

The trade commisioner at Kingston, Jamaica, kept Canadian firms fully informed regarding proposed harbor improvements. The chief engineer of an Ontario firm visited Kingston and was introduced to the proper authorities. A tender was submitted and the Ontario firm secured the contract, worth $240,000.

Railway Ties

For a number of years the trade commissioner in Cairo had been endeavoring to induce railways in Palestine to try Canadian ties. He kept in close touch with the railway adminstration, Canadian shippers and, through the trade commissioner in London, with the Crown Agents for the Colonies. The London office succeeded in securing the inclusion of Douglas fir in the list of accepted timbers and eventually an order was placed for 93,000 creosoted Douglas fir ties, with a C.I.F. value of $185,000.

Wheat Quotas

At the beginning of 1936 the Greek government authorized the importation at minimum duties of 100,000 tons of wheat, 40,000 tons from Canada. When difficulties arose in connection with the application of the Canadian quota, the trade commissioner in Cairo, whose territory includes Greece, made a special trip to Athens and the matter was satisfactorily settled. While there he learned that the Greek government was contemplating a further quota of 100,000 tons to be imported at the minimum rates. He immediately notified Canadian exporters and, making use of samples, impressed on Greek authorities the superior merits of Canadian wheat. When the additional quota was announced, 60,000 tons were allotted to Canada. Later the figure was raised to 80,000.

One feature of the routine work of trade commissioners is recommending and in many cases arranging the appointment of suitable agents for Canadian firms. During the past year the Commercial Intelligence Service assisted directly in the establishment of 762 agencies, through which $22,346,046 worth of initial business was placed—without considering the many millions of dollars worth of repeat business which has since been booked.

Britain's Fireproof Premier

(Continued from page 11)

will strike out for herself. In Paris, prestige of the Chamberlain technique is at a pretty low ebb.

Yet Mr. Chamberlain continues to believe that no government will risk starting a world war and that sooner or later the commonsense, practical view must prevail. To date, there isn't the slightest indication that his patience is wearing thin or that his attitude of friendliness is giving way to irritation. It will take much more than a combination of Hitler and Mussolini to transform Chamberlain into a firebrand.

On all points, therefore, the Chamberlain figure emerges as that of an able, well-tempered and intentioned, hard-headed executive. British writers, in the main, do not fancy such a person as their prime minister. They describe him as the "ultra modern" in politics—wholly frigid, without personal charm or magnetism, a soulless beaurocrat. His advice to young parliamentarians with respect to public speaking is given in three words—"prepare, prepare, prepare." He avoids rhetoric as the devil does holy water, and purple passages as if they were the plague.

His speeches have a higher factual content than those of any contemporary public man. Observers describe him as the leading exponent of the "iron girder and concrete" style of oratory. The cartoonist Low portrays him, it would seem, as if he belonged to the callously fraudulent class of tradesmen. His favorite literature is said to be a ledger and he is pronounced to be as "practical as a plumber and as precise as a time table."

The Other Side

These are but a few of the things British writers say of Mr. Chamberlain. Overlooking objectionable personal comment, they seem to fit the general picture. Yet some of the background is either slurred over or left out. There is another side, or part of a side, to this frigid, lack-lustre statesman.

It seems quite out of character, although true, that he is a bird lover and one of the foremost naturalists in the Commons. His passion for fishing, of course, is well known. He is, also, a good shot.

Every morning, in fair weather, he leaves his breakfast table to feed the birds in the backyard of 10 Downing Street. After that, he likes to go for a walk through St. James Park. On one occasion when he was late for work, it seemed that he had discovered a "wagtail" with an unusual coloring and had stalked it (forgetful of time) to confirm his casual observation. He wrote a letter to the Times (unsigned) about that "wagtail" and another about a blackbird which could imitate a thrush. He loves music, particularly pianoforte music. He is, as well, a keen gardener.

Such is the man who has been summoned to captain Britain in these times of uncertainty and peril. Many believe he is hopelessly miscaste: that he will bring humiliation to Britannia, possibly disaster.

Yet he was a great success as the presiding statesman of the Imperial Conference. The Dominion delegates quickly grew to trust and respect a judgment always cool, always considerate of other viewpoints, always moderate. There is no chance of the spectacular in British politics during his reign: no chance that he will take chips in the Hitler-Mussolini kind of poker politics. He seems wholly proof against infection with the prevailing madness; he is the noninflammable statesman in the European firetrap.

Hodgson and Co. Revises Record of Dividend Stocks

From Our Own Correspondent

MONTREAL.—C. J. Hodgson & Co., members of the Montreal Stock Exchange, have revised their record of Canadian dividend stocks, listed or traded on the Montreal Stock Exchange and Montreal Curb Market, as at October 1, 1937.

This compilation lists a large number of stocks, giving such particulars as dividends paid in 1936, approximate market prices, current dividend rate, yield, and the last reported share earnings. The record is divided into four sections: dividend paying preferred stock; dividend paying common stock; cumulative preferred stocks and arrears of dividends; and dividend paying mining stocks.

1,000 Horses Shipped

More than 1,000 horses have been purchased in the Swift Current district, 100 miles west of Moose Jaw, since the first of the year, for shipment to Montreal and other eastern Canadian points.

Public Utility Earnings

Mexican Light and Power

August:	1937	1936	Increase
	Canadian Currency		
	$	$	$
Gross earnings.	759,583	682,157	77,426
Oper. exps. & deprec.	575,339	473,865	101,474
Net earnings ..	184,244	208,292	*24,048
Aggre. gross from Jan. 1..	5,885,158	5,171,526	713,632
Aggre. net from Jan. 1	1,573,631	1,461,016	112,615

*Decrease.

Winnipeg Electric Co.

	1937	1936
August—	$	$
Gross income	490,192	467,875
Oper. exp & taxes..	312,749	298,384
Net earnings	177,443	189,491
8 Mos. end. Aug.:		
Gross income	4,441,076	4,335,730
Oper. exp. & taxes ..	2,616,968	2,499,103
Net earnings	1,824,108	1,836,627

Donnacona Paper Profit Moves Up

From Our Own Correspondent

MONTREAL.—Donnacona Paper Co.'s net earnings for the first eight months of this year, after provision for bond interest, administration expenses, etc., but before depreciation, totalled $167,200. This contrasts with $103,943 for all of 1936. After provision for depreciation of $132,200, estimated, the balance of $35,000 is equal to 9 cents a share on the common.

It is estimated that the company should be able to report for 1937 a net profit of around $149,000, or equivalent to 39 cents a share on the common stock. In the previous year there were no earnings available on the capital stock after providing for depreciation and interest charges.

C. P. Express Extends Freight Trucking Plan

From Our Own Correspondent

MONTREAL.—After Jan. 1 next the pick-up and delivery service of the freight department of the Canadian Pacific Railway in Toronto, Guelph and London will be handled by the Canadian Pacific Express Co., wholly-owned subsidiary of the railway.

When this type of service was instituted by the C.P.R. a few years ago, the handling of freight to and from freight sheds was done under contract by private trucking concerns. Early this year, however, the service was taken over by the express company in Montreal, Ottawa, St. Hyacinthe and Three Rivers and results have been such that it has now been decided that the service should be taken over by the express company in other cities.

Quebec County Seeks Reduced Utility Rates

From Our Own Correspondent

MONTREAL.—Reduction in electric rates for the county's consumers, on the same basis as Quebec City, is advocated in a resolution passed by the Board of Trade of Quebec and Montmorency counties. The board also went on record favoring cheaper telephone rates in sections of the two counties.

A Programme for Hepburn

(Continued from page 11)

Hepburn's statesmanship will lie in his ability to merge provincial ideals within the practical framework of Federal unity and to co-operate with the Rowell Commission in achieving this end.

On a smaller scale the same test will occur when Mr. Hepburn implements his election pledge of unemployment insurance, and when he moves to meet the current demand for provincial co-operation and support, in a nation-wide re-employment and rehabilitation scheme.

4. Civil Service Reorganization

When Mr. Hepburn was elected to power three years ago he found the provincial civil service honeycombed with party appointees and hangers-on. He had received a clear mandate to correct this situation. He was ruthless in firing—too much so, for he fired good men as well as incompetents. And many of his appointments were purely partisan.

Under Premier Hepburn, Ontario might well take the lead in establishing a qualified independent civil service commission.

5. Hydro Power Survey

With Premier Hepburn returned overwhelmingly to power it is presumed the cancellation of hydro power contracts will disappear as a public issue. This does not mean the stigma of repudiation has been removed but it does pave the way for a sound constructive power policy in the future.

In view of the rapid growth of industrial activity and development in the province it is very important that Premier Hepburn undertake without delay an independent long-term survey of the power needs of the province.

This is not a political issue—it is a matter affecting vitally the future welfare of the province. Power plants cannot be built overnight, but power demand if it continues to rise at the present substantial rate may shortly be overtaking present and potential developments.

This is a matter which should be settled beyond question at the earliest possible moment.

6. Public Statements

Within the past few weeks, Ontario citizens have been bombarded and bored by a plethora of political speeches. Most people probably feel they never want to hear the sound of a politician's voice again.

But Mr. Hepburn is again Prime Minister of the province. His chief lieutenants are not politicians, but cabinet ministers.

Mr. Hepburn would make an important contribution to public affairs in this country if he were to inaugurate a well-thought-out plan for keeping in touch regularly and officially with the citizens of the province.

Fortunately, Mr. Hepburn has usually a happy knack about his relationships with the press and the public. He and his ministers could improve these by bright, informative statements made at regular intervals over the radio and in the press as to state of affairs in the Parliament Buildings and throughout the province.

Let there be no underrating of Mr Hepburn's qualities. Mr. Hepburn is a man of as great abilities in administration as in political strategy. He has today the knowledge and experience of how to give Ontario good government and to set an example to the whole Dominion. He has a majority that is almost embarrassingly large. Seldom is a public trust so greatly imposed in a man so young. In living up to his responsibilities Mr. Hepburn has the benefit of the fact that he has been three years a-growing as the head of a great province.

Men and women at work in Ontario have high hopes that he will fashion for himself in the next few years an enduring monument in the form of a record for good government.

Bellanca Will Make Aircraft in Canada

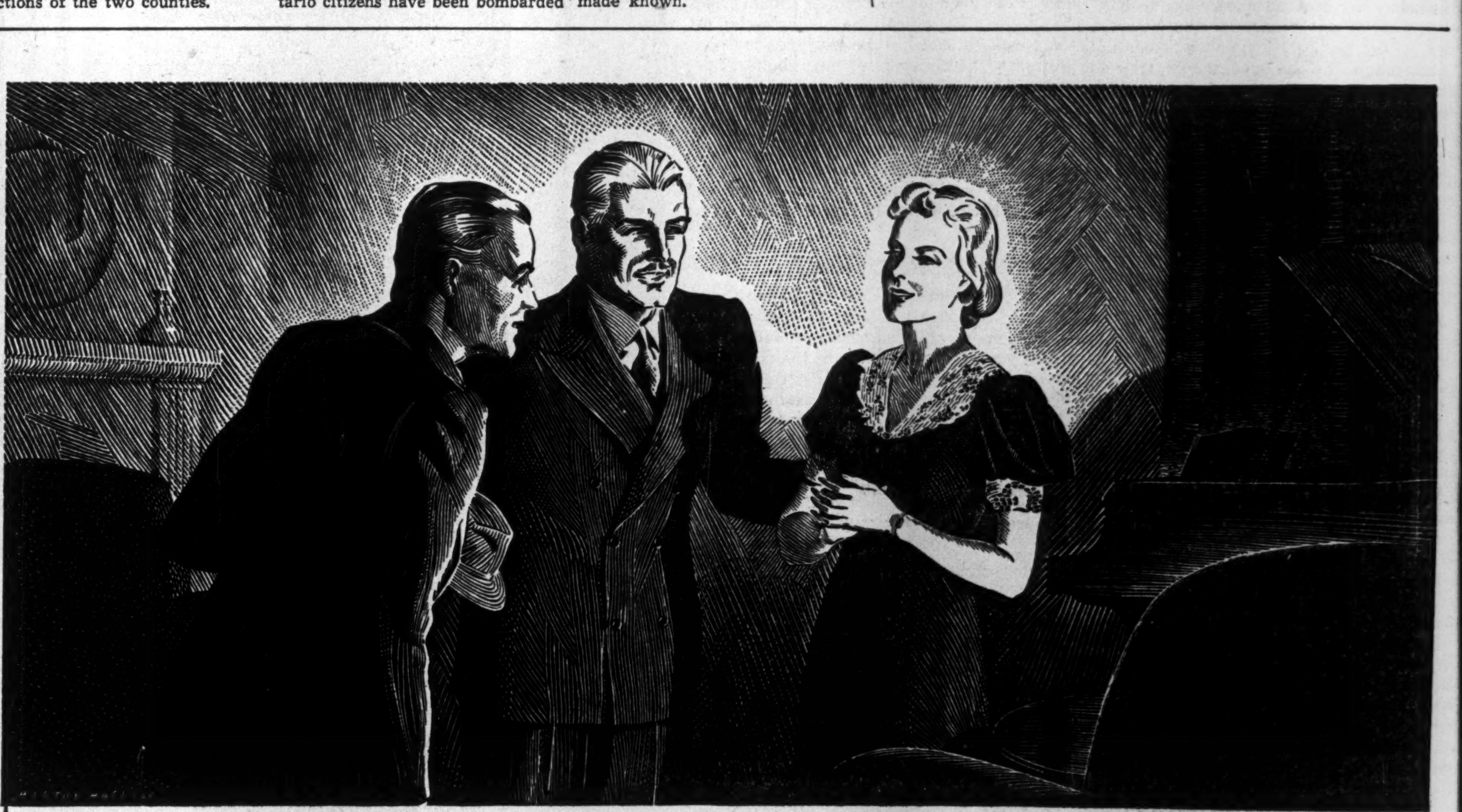
From Our Own Correspondent

MONTREAL.—Bellanca airplanes will shortly be manufactured in Canada, according to an announcement made here.

The announcement states that the planes are to be made under contract by a Montreal firm, but the name of the concern has not been made known.

AS THOUGH Inscribed on Stone
STEEL ENGRAVED MONETARY DOCUMENTS DEFY TIME and TAMPERING
Absolute security against illegal alteration of monetary documents is obtained only by expert steel engraving. Steel engraved Bank Notes, Bonds, Stock Certificates and similar "money symbols" exhibit an artistry in design and a skill in execution that defy alteration or duplication. Safety paper made to our own specifications gives such documents strength to withstand the ravages of time and abuses of handling. Do your monetary documents possess these essential defensive qualities? We shall be glad to discuss your engraving requirements with you.
EXPERT and EXPERIENCED Engraving and Printing of Bank Notes, Bonds, Debentures, Stock Certificates, Cheques, Drafts, Postage and Revenue Stamps and other Monetary Documents
CANADIAN BANK NOTE COMPANY Limited
HEAD OFFICE and WORKS OTTAWA
BRANCH OFFICES TORONTO MONTREAL

Style YOUR FLOORS WITH DOMINION Battleship LINOLEUM
CUSTOM-BUILT to your own specifications...
Floors to meet any taste or the particular requirements of any business are readily evolved from Dominion Battleship Linoleum. No less than 21 colours and effects, including Jaspés and Marbles, are available, to be cut into tiles of any shape or size, or into a wide variety of borders or interlining strips. Any flooring contractor, or large departmental store, will give you an estimate on this permanent, easily-cleaned floor that never needs costly refinishing. Ask also about our 5-year guarantee.
DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL
HOW MUCH OF YOUR OVERHEAD IS UNDERFOOT?



AN INTRODUCTION FROM A FRIEND
MEETING THE RIGHT PEOPLE is often a matter of the right introduction.
WHEN YOU ADVERTISE in the national magazines of Canada, you are introduced to the "able-to-buy" homes by friends of the family. These magazines enjoy the confidence and friendship of more than a million Canadian homes. Each issue is welcome, and meets every member of the family. The products introduced by these magazines are received with confidence and with interest for they are introduced by friends.
YOUR MERCHANDISING starts where it should start... at the higher income classes, through the medium and down, until, in the end, you have reached the majority of "able-to-buy" homes in Canada.
PICTURE THIS EFFECTIVE, simultaneous national coverage from sea to sea... a coverage that works for you... not for a day... but for weeks at a time, because of the increased longevity and readability of the national magazines of Canada.
YOUR ADVERTISING BUDGET must be governed by two factors... economy and effectiveness. The national magazines of Canada are the most economical National medium available. That they are effective is proved by the increasing number of national and international organizations using their pages each succeeding year as the backbone of their merchandising efforts, secure in the knowledge that they are being introduced to customers by "friends".
CANADA'S MAGAZINES SELL CANADIANS
National Home Monthly • Canadian Home Journal
Chatelaine • Canadian Magazine • Maclean's Magazine
NATIONAL COVERAGE FROM SEA TO SEA

Third Parties Dealt a Blow In Ontario

C.C.F. Fails to Elect a Single Candidate—Vote Reduced

Among results of last week's Ontario election, second only in interest to the anticipated return of the Liberal Government of Premier Hepburn was the recession of third party strength to the point of impotency.

Far from gaining their hopes of winning a balance of power or at least a foothold with independent opposition legislators, the C.C.F. and other third party groups failed to elect a single member and in only a few instances offered any serious competition. Despite the fact that the election was fought chiefly on the issue of Premier Hepburn's emphatic opposition to the C.I.O. penetration of Canada, voters showed themselves increasingly distrustful of attempts to gain political strength based on class alignments.

Vote Reduced

The C.C.F. not only lost the single seat it held in the previous legislature, but saw its total vote shrink both numerically and proportionately in comparison with the 1934 campaign. Sam Lawrence, C.C.F. member elected three years ago in Hamilton East, lost his seat to a Liberal who polled more than twice as many votes. Mr. Lawrence with his 4,800, trailed more than 1,000 votes behind the Conservative candidate.

Following is a comparison between the C.C.F. achievement in 1934 and unrevised figures for last week's election:

	1934	1937
Total no. seats	90	90
No. C. C. F. candidates	36	38
Total vote polled ..	1.5 million	1.4 million
C. C. F. vote polled	108,961	75,681
C. C. F. percentage	7	5

It might be argued that the C.C.F. and its Socialist platform should be credited with votes for the candidates running under Labor, Farmer-Labor and Socialist-Labor labels. Such aspirants for office appeared in a score of ridings, but ran in only seven districts where C.C.F. candidates had not entered the lists.

Most, if not all candidates running under the various shadings of the Labor tag did so as the result of a vigorous campaign promoted or supported by the Communist Party, its "labor" newspaper in Toronto; and a group of leftist labor unionists calling themselves the Labor Representation Association.

The main exception to this general result was the nearly successful run made in the riding of Toronto-St. Andrew's by Joseph Salsberg, high ranking Communist Party executive. Nominated as a Labor candidate in a district made up partly of the ward which elected Toronto's single Communist alderman last December, Salsberg polled 6,300 votes and is threatening to protest the declared election of the Liberal member, who polled approximately 6,500.

In Oshawa, storm centre last spring of the C.I.O. penetration of the automobile industry, the Hepburn-supporting Liberal candidate was elected by a decisive majority.

A somewhat better result was achieved by the C.C.F. in Peterborough, scene during the past summer of the strike of workers of Dominion Woollens and Worsteds Ltd. The third party candidate polled over 9,000 votes there, four times the vote for the Conservative nominee and only 1,000 votes behind the successful Liberal candidate.

—*Photo by M. R. Chipman.*

ON RUSSIA'S COLLECTIVE FARMS

From this administrative building (left) a farm of 4,500 acres is run by a woman chairman assisted by a board of seven. It is worked by 400 families with a total of approximately 2,000 people. In the same building marriages are made and just as easily unmade. Women work side by side with the men while their children are looked after in the nursery (right). Soviet authorities consider this farm a tourist show place.

Farm Hands of the Soviet Boss

Peasants Bear the Brunt of Russia's Industrialization and Still Wait for Returns

"Soviet Russia is making slow toiling progress upward in material things at terrific cost in time, in materials and in human freedom," Murray R. Chipman, Eastern Manager of The Financial Post finds in his concluding article. It will work out its own destiny, Mr. Chipman feels, and in doing so, "will move more to the middle of the road, creating en route its proletariat bourgeoisie."

By MURRAY R. CHIPMAN
Eastern Manager, The Financial Post

I had left for Russia, armed with a letter of introduction from Hon. W. D. Euler, Minister of Trade and Commerce, to one of the Soviet leaders, Rosengoltz, Commissar of Foreign Trade.

It was with him that Mr. Euler had had trade chats the previous year in Moscow. These had resulted in the lifting of Canada's embargo against Soviet goods but had meant no actual trade agreement except a limiting of Soviet coal exports to Canada to 275,000 tons annually.

By the time we reached Moscow, however, my letter of introduction was useless. Commissar Rosengoltz had joined the current parade of the purged. He was not believed then to have been shot but he and his family had "disappeared."

Appreciated Recognition

I did, however, have an interview with one official in their Department of Trade.

It was interesting that he said: "We have not especially benefitted as a result of the trade talk with your minister. In coal, for example, the demand from other countries, especially the United States, is exceeding our available supply; thus we have taken no active steps to develop this trade with Canada.

"We do value chiefly, however, the psychological advantages of having the embargo lifted. It is a recognition which is appreciated."

I endeavored to get from him some authentic data on two matters of interest to Canadians, namely, gold production in the Soviet and, also, some figures on their newsprint production and what additional mills were being installed.

On the former he advised that no actual figures had been given out since 1933. From other sources I learned that an estimate based on published percentage increases, would put the 1936 gold production at a valuation of between 200 to 250 million dollars which, of course, ranks the Soviet in second place in world production, with Canada third.

Concerning newsprint the official replied: "I have no figures available as to our yearly production, but I do know we are building new mills to take care of our great and growing demands which are the result of the increasingly widespread education of the masses. We are still importers of wood pulp as you know, chiefly from Scandinavian countries."

He also confirmed a fact of great importance to our industry that Soviet Russia's local demands will prevent her from being a factor as an exporter of newsprint for many years to come.

Living Standard Low

With commodity costs so high in the Soviet compared with wage purchasing power. I have been asked "how then do the people live?"

As has been said, the standard of living is dramatically below that of ours. But there are two factors to consider.

First, the group income of a family since all will be working for some wage, means that the pooled resources keep the wolf from the door. And, secondly, rents are low, usually about 10% of income, although accompanied as yet by a degree of overcrowding in living accommodation which most often finds whole families in one room.

Many of the new workers' apartments are built by the industry employing the worker. Others are cooperative enterprises in which the worker pays a portion of the cost, the State the balance.

In either case in the Soviet, by virtue of the State having confiscated all lands, no rent is charged for the land.

One characteristic in Russia is that with the woman a worker and not a housewife, there is a growing trend toward public facilities such as communal dining halls, laundries, and crèches, to relieve home burdens.

I was interested to learn, on the other hand, that differing from the early days of the Soviet regime when children's criticism of parents was encouraged, on the theory that parents, or the older generation, would be more against the regime, the discipline of the child now has been returned to the parents.

Attractive Kiev

Kiev, new capital of the Ukraine, is the most attractive Soviet city we visited. With its rich historical background and in its hillside setting on the River Dnieper, it maintains its tradition of a city with a proud past.

En route to it, we had observed the rolling acres of the tractor-cultivated collective farm area, here in the Ukraine, with their more picturesque, thatched-roofed cottages replacing the squalid squared-log houses of the Leningrad-Moscow countryside.

As was also evident in Kharkov, the people seemed to be taller, more graceful and better looking.

We had purposely withheld a collective farm trip until we got to Kiev. A motor jaunt of some 30 kilometres took us to one.

By far the majority of the Soviet's farmers are in collectives of either two forms, the Kolhozes which mean the joint use of the land but the peasant maintains his own household. This is the most predominant form. The other is the communal type in which everything is pooled and the workers live and eat in communal houses.

By the end of 1936 over 5,000 tractor stations served to bring machine methods to collective farms.

The farm we visited was a Kolhoze. It had 400 families with a total of approximately 2,000 people, farming 4,500 acres of which 3,250 were grain, 500 forest, and 750 acres orchard land.

Woman Bosses Farm

The farm was headed by a woman as chairman, or Queen Bee you might call her, who was elected for a three-year term. She was a native worker who had gone to agricultural college and was trusted and elected by the workers with the approval of the government. She had a board of seven members under her which acted in an administrative and social capacity.

A revision committee of five members controlled the work of the farm. The workers were divided into a brigade of 100 persons each with a leader and these again divided into "links" of 10.

Workers are paid on the basis of the number of working days and according to an established "norm" of work. For instance to plow 2½ acres of land a worker gets two "norms."

For 1936, in actual produce and money one norm was 3 kilograms of grain, 3 of potatoes, 2 of fruit, 2 of fodder for the cattle and one rouble, 15 kopeks in money.

We were told that the average family got 700 to 800 norms for their work during the summer, which, of course, would mean 700 to 800 times the produce and money mentioned in the previous paragraph, for the year's work.

Own Their Homes

One of the most interesting things on the farm to us were the individual homes. The Soviet Government had to compromise in the end and permit individual home ownership. In addition each farmer has slightly more than an acre of land and may keep a cow, chickens, pigs, and bees. Surplus produce from his own land he may sell in the marketplace.

We visited the village general store which proved to be both inadequately stocked and primitive. We also saw the nursery and kindergarten and their drug store, such as it was, of which they were very proud.

They told us of their school, their hospital, maternity home, and bath house. The former church had been partially demolished so that the bricks might be used for other building purposes and the remaining half was the village club room.

We saw the Soviet headquarters building where marriages are made and easily unmade. The price for a second divorce is higher, however, and a third is even more expensive.

The old arrangement whereby one marriage partner could go to headquarters and demand a divorce whereupon the other partner would eventually be advised by postcard, now no longer exists. Both partners have to appear.

Birth Rate Jump

The regulations regarding the care of the children of divorced couples also now places responsibility on the parents. The birth rate in Russia has gone up to a staggering degree in the past year due to the cancellation of the former law which permitted abortions.

The cancellation of this law was most unpopular with the people because it meant further mouths to feed, but the government in its usual way pushed the new law through with much propaganda concerning its popular acceptance.

If this farm was good enough to be a tourist show place, some, I hope, might be better; certainly others must be pretty bad.

This collective farm experience served to bring sharply into focus who is bearing the brunt of the cost of the Soviet experiment.

It is, as formerly, the peasant. On his shoulders are being carried the major load for the progress which is being made industrially. And, as yet, they are not getting back the industrial products they wish, to compensate for their toil.

I learned from an authoritative source that the following amounts of grain must be set aside or delivered to the State before distribution is made to collective farm members—statutory obligatory deliveries to the State 20%; remuneration in kind due the machine tractor stations 18%; stock of seed for next year's crop, 14%; emergency grain reserves amounting to 10 to 15% of the stock seeds 2%; stock of feed grain, covering the annual requirements of the livestock owned by the collectives 4%. This totals 58%.

The government pays the farmer, of course, for the requisitioned grain, but at a very low price. Any surplus grain which the farmer may have to sell after meeting the government's or the farm's requirements, and his own needs, he may dispose of in the open market at the prevailing higher price.

The Soviet's chief source of revenue is the turnover tax. It accounts for over 77% of the total budgetary revenue.

For the 1937 budget, approximately 60 billions out of the total turnover tax of 76,795,000,000 roubles is being collected either directly from the sale of agricultural products or from semi-manufactured or manufactured goods made from agricultural products.

The state not only owns the means of production but also sets wages and the wholesale and retail prices on products which in turn it taxes in order to obtain revenue. There is also a profit tax on the profit of the various state industries.

It is of interest to mention here that in the Soviet Union the right of inheritance has been restored; deposits in savings banks and investments in state loans (with lottery drawings) are being effectively encouraged; and private incomes derived from "work and savings" are specifically protected by the new constitution.

Obviously the Soviet Government is in business in a big way. It is its own boss and the boss of those whom it employs, its workers. How good a boss is it?

From the viewpoint of Anglo-Saxon democracy we can draw the conclusion with conviction that not by its propaganda but by its fruits, Soviet Russia has demonstrated its way is not our way for the greatest good for the greatest number.

In that regard it shares the similar characteristic of all the Dictator States.

The combined objectives of both Labor and Executive leadership in this country should be to improve and to adapt our system so that it avoids the encroaching hand of the totalitarian state while retaining our freedom and initiative on a broadening base of social security.

As one foreign observer in Moscow put it, "Soviet Russia is making slow and toiling progress upward in material things at terrific cost in time, in waste of materials and in human freedom at a price which democracy should not pay.

"True, they have the illusion, especially magnetic to youth, that they, the workers, own and run the show. In my opinion it is a captivating but a cruel illusion in fact.

"The Soviet has demonstrated a fundamental inefficiency in production and administration with a cramping of individual freedom of thought and initiative which emphasizes again the weakness of State Socialism, or an ultimately hoped for Communistic concept.

"It will survive I think because of its systematic removal of all opposition and of the rising tide of youth. That it will move to the middle of the road creating en route its 'proletariat bourgeoisie' seems likely.

"It is presently making progress through the time-tested methods of our system."

Soviet Russia will work out its destiny, but ours is not to follow in her path.

An Estate Plan

for a Will is the practical opinion of the best method—known to the designer of the plan—whereby the wife and family, or other beneficiaries, will reap the most benefit from the estate.

Our opinion in the drafting of each plan is backed by our years of experience in all phases of estates management . . . it is sought by an increasing number of people who realize there have been many changes during the last ten years that seriously affect estates.

We invite you to call and discuss a plan for your estate, or if you prefer, ask for a copy of our plan pamphlet—gratis.

Executor and Trustee
Since 1897

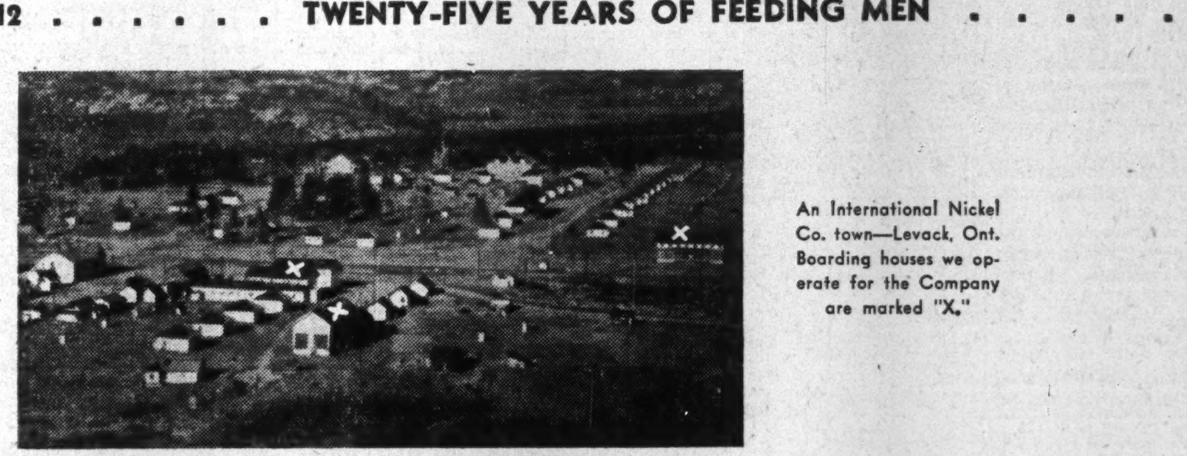
THE
TRUSTS and GUARANTEE
COMPANY LIMITED

James J. Warren, *President.* C. S. Hamilton, *General Manager.*

TORONTO
CALGARY WINNIPEG BRANTFORD WINDSOR

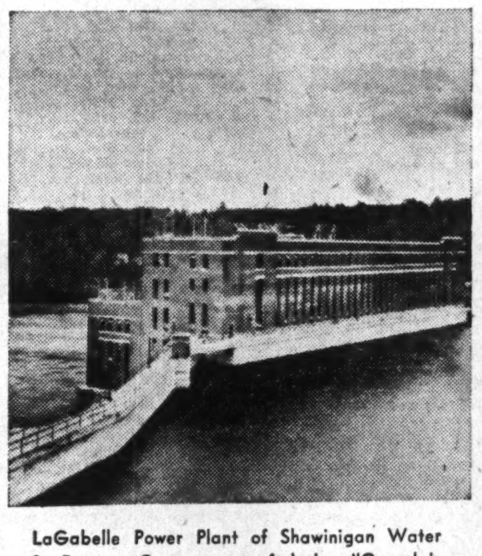
6-37

1912 . . . . TWENTY-FIVE YEARS OF FEEDING MEN 1937

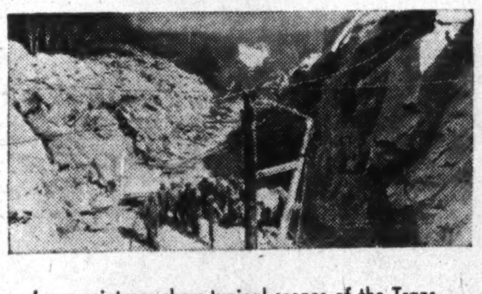


An International Nickel Co. town—Levack, Ont. Boarding houses we operate for the Company are marked "X."

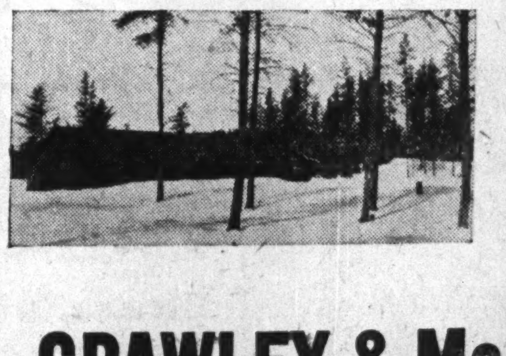
Let "CANADA'S BIGGEST COOK" Tackle YOUR Feeding Problem



LaGabelle Power Plant of Shawinigan Water & Power. Gangs were fed by "Canada's Biggest Cook."



Lower pictures show typical scenes of the Trans-Canada highway project in Ontario. We fed 30,000 meals a day.



WHETHER you are feeding many men or a few — close to supplies and transportation, or far removed and difficult of access — one of your primary considerations must always be the efficient and economical operation of your commissariat.

For a quarter of a century, Crawley & McCracken Company, Limited, "Canada's Biggest Cook," has been feeding and housing men of all types and nationalities — engaged in all kinds of work under every condition of climate and locale. This organization has given complete satisfaction in feeding men in lumber, hydro, highway, railway, pulp and paper, construction and mining camps.

The broad experience, the unusual facilities, the widespread location of branches, all suggest "Canada's Biggest Cook" where there are men to feed away from home.

If you have such a problem, it will interest you to have a talk with one of our experienced executives.

CRAWLEY & McCRACKEN COMPANY, LIMITED
MONTREAL
SUDBURY • TORONTO • NORTH BAY • COCHRANE • PORT ARTHUR • LONDON • CHAPLEAU
KENORA • SAULT STE. MARIE • CAPREOL • BAIE COMEAU • QUEBEC CITY • McADAM

My Secret's RIGHT HERE!

Ask any master painter what his key ingredient is and he'll tell you—"White Lead, Tiger Brand White Lead". It's the backbone of all good painting jobs, the element that puts body, smoothness, covering capacity and long wear into paints. Tiger Brand White Lead breaks up easily and so saves time on the job. It's the choice of veteran painters everywhere.

STELCO

Back of every Stelco product stands an embracing knowledge of metals achieved through years of research and diversified manufacture. Stelco's ten great plants, employing thousands of Canadian workers, make a vital contribution to Canada's industrial prosperity.

Genuine TIGER BRAND Pure WHITE LEAD

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES HALIFAX, ST. JOHN, MONTREAL, TORONTO, HAMILTON, WINNIPEG, VANCOUVER
WORKS HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 11

Range 1937 High	Low	Div. Oct. 8 R'te $	Y'ld %		Sales	Last Oct. 4	Week end. Oct. 11 H	L	Cl'se
				A					
15½	3½	.	...	Abitibi	7540	4½	4½	3½	3½
80	33	.	...	Do. pref. 6%	3570	38	37	34	34
97	60	.	...	Do. pref. 7%	....	(40 bid 45 asked)			
79½	38	.	...	Do. cert. dep.	....	(34 bid — asked)			
6½	2½	10c	...	Acadia Sugar	....	(3 bid 4½ asked)			
18½	9	50c	5.5	Acme Glove	....	(— bid 10 asked)			
94	75	6.50	7.7	Do. pref.	....	(— bid 83 asked)			
12	8½	60+30c	.	Agnew Surp.	20	9½	10½	10½	10½
110	103½	7	6.7	Do. pref.	....	(104 bid — asked)			
7	2	.	...	Alta. Pac. Gr.	110	2	2	2	2
				Do. pref.	125	9	10	9½	10

[illegible]

Range 1937 High	Low	Div. R'te	Y'ld		Sales	Last Oct. 4	H	L	Cl'se
35	20	1+25c	6.2	Wabasso Cot.	8493	40½	40	[illegible]	[illegible]
51½	36½	2	5.2	Walker-Good.	1130	18½	19	18½	[illegible]
20	18½	1	5.3	Do. pref.	600	1.75	1.85	1.70	1.7[illegible]
3.50	1.10	.	...	Walkerville Br.	400	1½	1½	1½	[illegible]
5	1½	.	...	Waterloo Mfg.	30	4½	5	4½	[illegible]
12	4½	.	...	West. C. Flour	....	(— bid 45 aske[d])			
90	40	.	...	Do. pref.	....	(— bid 70 aske[d])			
71	65	3	4.3	West. Grocers	11	116½	116	116	[illegible]
125	115½	7	5.9	Do. pref.	910	12	12	11½	[illegible]
15½	11½	80+10c	..	Weston Ltd.	45	93	93	90	[illegible]
106½	90	5	5.5	Do. pref.	1	5	5	5	[illegible]
8	4			Windsor Hotel	5	9	8	8	[illegible]
23	8	.	...	Do. pref.	290	3½	3½	3	[illegible]
10½	3	.	...	Winnipeg El. A	40	3	3	3	[illegible]
10	3	.	...	Do. (B)	25	19	20	17½	[illegible]
44	17½	.	...	Do. pref.	10	75	75	74	[illegible]
76	53	5.25▲	...	Wood, A. & J. p	....	(60 bid 70 ask[ed])			
85	55	.	...	Woods Mfg., pf.					
				Z					
7½	3½			Zimmerknit c.	25	5½	5½	5½	[illegible]

† 1936. b New York quotations.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Of which $2 is capital distribution.

Mining Stock Quotations

WEEK ENDED OCTOBER 11

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

[illegible]

OIL STOCKS

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 13, 1937

[illegible]

Industrial and Realty Issues:

[illegible]

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 12, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.10	4.70
Acme Farmers Dairy, pfd.	31.00	38.00
Algoma Steel, com.	10.00	11.00
Do., pfd.	63.00	66.00
Andian Nat. Corp.	48.00	49.50
Assoc. Tel. & Tel., pfd.	43.00	48.00
Barrymore Cloth, pfd.	25.00	28.38
Brandram-Henderson, com.	5.10	6.00
Do., pfd	20.50	....
B. C. Pulp & Paper, com.	28.00	30.00
Do., pfd.	92.00	96.00
Burns & Co., A	7.25	8.75
Do., B	2.50	3.25
Can Wire & Cable, pfd.	112.50	114.00
Can. Airways	3.75	4.50
Can. Industries, A com.	210.00	....
Can. Ingersoll Rand	120.00	127.00
Can. Tube & Steel, com.	7.00	8.50
Do., 1st pfd.	92.50	100.00
Do., 2n dpfd.	20.00	28.00
Can. Westinghouse	57.00	58.50
Chase, A. W., pfd. bonus	25.00	....
Claude Neon, pfd.	7.50	9.50
Conduits Nat., com.	3.75	4.50
Dominion Woollens, pfd.	....	3.50
Dunlop Tire, pfd.	87.00	90.00
Federal Grain, pfd.	25.00	29.50
Goderich Elevator	4.00	4.75
Guelph Carpet, pfd.	105.00	107.00
Do., com.	23.25	25.75
Hayes Steel Prod., com.	7.10	7.90
Do., pfd.	7.75	8.75
Highland Dairy, pfd.	77.00	83.00
Huether Brewing, pfd.	2.00	....
Kingston Shipbuilding Units	6.75	....
Loblaw Inc., pfd. bonus	81.00	85.00
McCormick's, com.	3.75	4.75
Do., pfd.	12.00	....
Morrison Brass, pfd. bonus.	8.00	10.00
Mount Royal Hotel, pfd.	3.70	4.50
New Meth. Laund., pf. bon.	91.00	94.50
Paterson, Wm., pref.	100.00	....
Perfection Pete., pfd.	21.00	22.50
Provincial Paper, pfd.	106.50	108.00
Reliance Grain, pfd.	....	81.00
Rob. Consol. Cone	9.75	10.50
Ruddy, E. L., pfd.	....	32.00
Seal O Sac (Can.)	7.00	9.00
Standard Fuel, com.	3.50	5.00
Do., pfd.	83.00	88.50
Supertest Petrol., B pfd.	26.50	28.00
Toronto Carpet, com.	53.00	56.50
Do., pfd.	57.00	62.00
United Steel, A pfd.	16.00	17.50
Viceroy Mfg., pfd. & rts.	15.00	16.75
Western Grain, pfd. bonus	5.00	6.50
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	.70	.90
Zellers Ltd., pfd.	84.50	....
Trust & Loan Stocks:		
Chartered Trust	98.00	....
Commercial Finance, com.	2.60	3.00
Guelph Ont. Inv., par $50	49.00	52.00
London & West. Trust	50.00	55.00
Prudential Trust	3.50	....
Sherbrooke Trust	120.00	....
Sterling Trust	41.00	....
Traders Fin., A com.	14.00	16.00
Do., Inc. rights	10.00	12.00
Do., B pfd. bonus	90.00	94.00
Trusts & Guarantee	25.00	27.00
Insurance Stocks:		
Canada Life	530.00	540.00
Canadian Ins. Shares	19.00	....
Confederation Life 20% pd.	114.00	118.50
Dominion Fire	130.00	....
Dominion of Can. Gen.	120.00	127.00
Empire Life 25% pd.	12.50	13.50
Federal Fire 25% pd.	43.00	....
Great-West Life	310.00	328.00
Guar. of N. A., fully pd.	310.00	330.00
Do., 20% pd.	59.00	....
Halifax Fire	23.00	24.25
Imperial Life	340.00	355.0[illegible]
Manufacturers Life	250.00	270.0[illegible]
Monarch Life 10% pd.	23.00	26.0[illegible]
Sovereign Life 25% pd.	14.00	16.5[illegible]
Sun Life	525.00	550.0[illegible]
Western Assce., pfd.	40.00	43.[illegible]
Do., com.	48.00	53.[illegible]
Theatre Stocks:		
Allens Kingston, pfd.	59.00	[illegible]
Do., St. Catharines, pfd.	57.00	[illegible]
Do., Tor. pfd. bonus com.	30.00	[illegible]
Eastern Theatres, pfd.	56.50	[illegible]
Loew's London, pfd.	2.25	[illegible]
Mansfield Theatre, pfd.	24.50	[illegible]
Paramount Kitchener, pfd.	55.00	[illegible]
Do., Oshawa, pfd.	87.50	[illegible]
United Amusement, A, V.T.	18.00	[illegible]
Do., B	18.00	[illegible]
Investment Trust Shares:		
Can. Gen. Invest.	8.00	8.40
Can. Investment Fund	3.90	4.30
Can. Investors Corp.	7.25	8.00
Cons. Div. Std Sec., com.	.20	....
Do., pfd.	14.00	....
Invest. Found., pfd. bonus	55.00	58.00
Lon. Can. Invest., com.	3.10	4.50
Sec's. Hold. Corp., pfd. bon.	18.00	20.00
United Corpns., A	23.00	24.00
Do., B	....	17.00
Power Issues:		
Can. West Nat. Gas, com.	23.00	26.50
Do., pfd.	83.00	86.50
Foreign Power Sec's., pfd.	5.00	7.50
Great Lakes Power, pfd.	100.00	....
Inter. Util., $1.75 pfd.	10.00	13.00
Do., $7 pfd.	93.00	96.00
Montreal Island Pwr., pfd.	16.00	19.00
New Bruns. Tele., com.	13.50	14.50

Mining Dividends

	Rate	Close Oct. 11	Yield %
Anglo-Huronian	20c	4.25	..
Beattie Gold	5c	1.15	*9.7
Bralorne	40c+35c	7.75	*8
Buffalo Ankerite	50c+12½c	10.37	6.7
Bulolo Gold	‡1.50	22.50	..
Can. Malartic	†5c	1.08	6.7
Cariboo	10c	1.50	..
Central Patricia	12c	2.20	..
Coniagas	12½c	2.00	..
Coniaurum	5c	1.25	*2.5
Cons. Smelters	50c+$1	60.00	*13.9
Dome Mines	$4+$2	43.25	5
Falconbridge	30c	5.90	7.3
Hollinger	65c+25c	12.37	..
Howey Gold	4c	.31	..
Hudson Bay	75c	22.50	5
Inter. Mining	45c	9.00	4.2
Inter. Nickel, com.	$2	48.00	..
Kerr Lake	5c	.35	..
Kirk. Lake	9c	1.29	*10.2
Lake Shore	$4+$1	49.12	..
Lava Cap. M.	10c	.88	6.1
Little Long Lac	30c	4.90	4
Macassa	20c	5.05	5.3
McIntyre	$2	37.75	..
McKenzie Red Lake	4c	1.14	..
McKinley Sec.	5c	.40	3.6
Noranda	‡$1.75	48.50	..
Nor. Can. Mining	6c	.65	..
Nipissing	37c	1.85	..
Placer Develop.	‡60c	13.00	*7.7
Premier	12c+4c	2.05	10.9
Pioneer, B.C.	40c	3.65	7.8
Pickle Crow	40c	5.10	15
Reno	12c	.80	..
San Antonio	14c	1.40	*10.6
Sheep Creek	8c+2c	.94	*6.4
Siscoe	20c+1c	3.25	..
Sudbury Basin	†10c	3.50	4.7
Sullivan Cons.	5c	1.06	*8.6
Sylvanite	20c+5c	2.90	*9.3
Teck-Hughes	40c+5c	4.85	*3.6
Toburn	8c+1c	2.50	..
Ventures	†12½c	5.50	
Wright-Harg.	40c+30c	6.75	*10.4

‡Interim. †Initial.
*Yield includes bonus.

Winnipeg Stocks

(Transactions from Oct. 4 to Oct. 9)

	Sales	High for period	Low for period	Close Oct. 9
Bailor Gold	500	.01½	.01½	.01½
Cres. Cream. pf.	50	34.00	34.00	34.00
D. Envelope, c.	20	3.00	3.00	3.00
Cryderman	1,000	.01	.01	.01
Flin Flon	2,750	.06	.05	.05
Gold Lake	2,000	.01½	.01½	.01½
Gt. Falls M. & S.	5,500	.04	.03	.03
Gurney	4,000	.33	.30	.32
Home Invest.	10	22.00	22.00	22.00
Island Lake	500	.02	.02	.02
Marvel Oils	4,500	.06	.04	.04
Monarch Life	57	25.50	25.50	25.50
Monarch Gold	50	.90	.90	.90
Packsack	100	.09	.09	.09
Sachigo River	55	11.00	11.00	11.00
Star Lake	2,000	.01½	.01½	.01½
Traders Bldg.	40	85.00	85.00	85.00
West. Breweries	200	1.25	1.25	1.25
West. Steel, pf.	5	12.00	12.00	12.00
Wylie Dom.	7,700	.28	.25	.27
Wingold	500	.03	.03	.03
Wpg. R. Tin	5,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Federal Grain, com.	..	4
Federal Grain, pref.	..	35
Northern Can Mtge., pf.	3	..
Northern Trust	8	..
North. Mtge., par paid	..	2
Reliance Grain, pf.	..	86

*Stocks more active on other exchanges not included.

Unlisted Mines

Oct. 12, 1937

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Ansel	..	.40	Gateway Pat.	.03½	.05	Opemiska	.06	[illegible]
Albany River	.52	.55	Gilbec	.02	.02½	Oriole	.05	[illegible]
Algold	.35	.37	Gold R.	.02	.03½	Old Diamond	.02	[illegible]
Altura	.05	.08	Goldside	.03	.03½	Ossian	.01½	[illegible]
Armistace	.05	.06	Golden G.	.45	.47	Pascalis	.33½	[illegible]
Arno	.02½	.03½	Gordon Lebel	.06	.07	Porc. McNabb	.02½	[illegible]
Athona	.12	.15	Gull Kirk.	.01½	.02	Porc. U.	.04½	[illegible]
Area	.02½	.03½	Hudson Pat.	.03	.04	Plains P.	3.30	[illegible]
Augite	..	.14	Hislop	.04	.05½	Porc. G. R.	.01	[illegible]
Bailor	.01½	.02½	Horseshoe	..	.01½	Potterdoal	.01	[illegible]
Bar. Lar.	.09	.10	Hutchison Lake	.10	.10½	Porc. Tri.	..	[illegible]
Bear	.15	.18	H. P. Porc.	.05½	.06½	Pont. R.	.09	[illegible]
Big Master	.02½	.03½	John. Nip.	.02	.03	Pelangio	.04½	[illegible]
Bilmac	.06½	.07½	Kaw Crow	.04	.05	Propriet.	1.20	[illegible]
Baldwin	.01½	.02	Kenocho	..	.05	Que. Man.	.48	[illegible]
Cuniptau	.04	.05	Kenricia	.30	.35	Rajah	.03½	[illegible]
Calder B.	.03	.04½	Kewgama	..	.22	Ribago O.	.02	[illegible]
Callinan	.02	.03	King K.	.01	.02	Do., New	.15	[illegible]
Can. Pan.	.07½	.08½	Kir. Vit.	.07½	.08½	Rouyn Rw.	.03	[illegible]
Can. Kirk.	.01½	.02	Kirk. Hun.	.03	.03½	Rubec	.02	[illegible]
Candalaca	..	.35	Lafayette	.02½	.03	Sand River	.25	[illegible]
Chesterville	1.10	1.20	Lake Geneva	.40	.42	Shenango	.12	[illegible]
Coin Lake	.04	.06	Lamaque	6.00	6.55	Siscoe Ex.	.15	[illegible]
Condor	.02	.03	Lardego	.06½	.07½	Smelter	.01	[illegible]
Cont. Kirk.	.24	.25	Mag. Lake	.07	.08	Spooner	.07	[illegible]
Cook Lake	.25	.26	Mag. C.	.20	.23	Sturgeon R.	.20	[illegible]
Coulson	.04	.05	Malartic G.	.20	.23	Springer	.07	[illegible]
Cres. Kirk.	.03	.04	Martin M.	.03	.04	Straw L.	.14	[illegible]
Dawson White	.07	.08	Martin B.	.38	.40	Tonawanda	[illegible]	[illegible]
Denison	.29	.31	Mar. R. Lake	..	.20	Triple Lake	[illegible]	[illegible]
Desantis	.22	.25	Match. C.	.10	.12	Upper Can.	[illegible]	[illegible]
Doreva	.10	.12	Moffatt N.	.05½	.06½	Wascana	[illegible]	[illegible]
Delosha	.17	.19	McFarlane L. L.	.07½	.08½	Williamson	[illegible]	[illegible]
Dunlop	.04	.05	McCarthy W.	.14	.16	Wesley	[illegible]	[illegible]
El. Bon.	.09	.11	McVittie K.	.03	.04	Westside	[illegible]	[illegible]
Electra Porc.	.08	.07	Monarch	.05	.07½	West R. L.	[illegible]	[illegible]
Eva Lake	.01	.07	Mocchia	.10	.12	White Horse	[illegible]	[illegible]
Elmos	.08	.10	Mocher	.15	.16	Wendigo	[illegible]	[illegible]
Faulkenham	..	.25	Norlake	.05	.06	Winoga	[illegible]	[illegible]
Fernland	.16	.18	North Shores	.01½	.02½	Woco	[illegible]	[illegible]
Frontier	.05½	.07	Oklend	.15	.16	Young D.	[illegible]	[illegible]
Galatea	.01	.01½	O'Leary	.05½	.06	Ypres C.	[illegible]	[illegible]
Garnet	.01½	.02½						

Government Bonds

Dominion of Canada Bonds

Oct. 13, 1937		Bid	Asked	Approx. Yld.
2	15 Nov. '39	100.75	101.25	1.41
2½	15 Oct. '39	101.75	102.25	1.40
4	15 Oct. '39	104.50	105.00	1.55
1½	1 June '40	99.25	100.00	1.50
4½	1 Sept. '40	106.75	107.25	1.93
1	15 Mar. '41	97.25	97.75	1.67
5	15 Nov. '41	109.75	110.25	2.28
3	15 Oct. '42	103.15	103.65	2.22
2½	1 June '43	100.65	101.15	2.28
5	15 Oct. '43	111.25	111.75	2.87
4½	15 Oct. '44	109.65	110.15	2.89
a2½	15 Aug. '45	99.25	99.75	2.53
4	15 Oct. '45	106.00	106.50	▲2.82
4½	1 Feb. '46	109.75	110.25	3.09
3	1 June '49	100.50	101.00	▲3.12
3¼	15 Oct. '49	101.65	102.15	▲3.14
3½	15 Oct. '52	105.75	106.25	▲3.26
3	1 June '55	98.00	98.50	3.26
4	1 Nov. '56	108.75	109.50	▲3.32
4½	1 Nov. '57	109.00	109.50	▲3.41
4½	1 Nov. '58	109.35	109.85	▲3.45
4½	1 Nov. '59	109.75	110.25	▲3.48
a3¼	15 Jan. '61	99.00	99.50	3.28
3¼	1 June '66	98.00	98.50	3.33
3	Perp. bds.	86.65	87.15	3.44

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	101.00	102.00	2.67
3	15 Dec. '50	95.75	96.75	3.30
3	15 Feb. '53	95.00	96.00	3.33
*4½	1 Sept. '51	112.25	113.25	3.31
*4½	1 Feb. '56	112.50	113.50	3.50
4½	1 July '57	112.25	113.25	3.57
4½	15 June '55	115.00	116.00	3.54
5	1 Feb. '54	116.00	117.00	3.62
*5	1 July '69	115.00	116.00	▲3.03
*5	1 Oct. '69	117.25	118.25	▲3.47

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	99.00	101.00	3.92
†4½	15 Apr. '61	104.00	105.50	4.12
†5	15 Jan. '60	107.50	109.50	4.33
Nova Scotia:				
3	2 Sept. '45	97.00	98.50	3.21
4½	15 May '43	106.00	107.50	3.05
†4½	15 Sept. '52	107.50	109.00	▲3.43
†5	1 Mar. '60	115.50	117.50	3.83
Ontario:				
3	1 Dec. '51	95.00	96.00	3.35
*4	1 June '62	105.50	106.50	3.60
4½	1 June '50	110.00	111.00	3.44
4½	15 Jan. '62	114.00	116.00	3.52
5	15 Oct. '48	113.75	114.75	3.38
*5	2 Dec. '60	118.50	120.00	3.72
5½	1 July '46	115.50	116.50	3.31
Ont. Hydro Comm.:				
3¼	1 Apr. '47	101.25	102.25	3.23
4½	1 Jan. '70	116.00	117.50	3.61
Prince Edward Island:				
3	1 Oct. '45	97.00	98.50	3.19
Quebec:				
4	15 Mar. '52	105.00	106.25	3.45
4½	1 Aug. '58	108.00	109.50	3.80
4½	2 Jan. '63	110.00	111.50	3.79
Alberta:				
4	15 Dec. '54	51.50	53.50	ǀ
†4	1 Dec. '57	51.50	53.50	ǀ
4½	1 Oct. '51	60.00	64.00	ǀ
†4½	1 Oct. '56	55.50	57.00	ǀ
†5	1 Jan. '46	56.00	58.00	ǀ
5	1 Sept. '55	56.00	58.00	ǀ
*5	1 Oct. '59	56.00	58.00	ǀ
†5½	1 Jan. '47	58.00	60.00	ǀ
6	1 Mar. '47	62.00	65.00	ǀ
British Columbia:				
†4	1 Dec. '57	90.50	92.00	4.60
*4½	15 Jan. '51	98.00	99.00	4.60
†4½	1 Oct. '53	96.50	97.50	4.72
†5	15 Jan. '48	100.00	101.00	4.87
5	1 Sept. '53	100.00	101.00	4.91
5½	1 Feb. '45	101.50	103.00	5.00
6	15 Feb. '47	103.00	104.00	5.45
Manitoba:				
4	2 Jan. '50	83.50	85.50	5.62
†4	1 Dec. '57	84.50	86.00	5.11
†4½	15 Dec. '56	86.00	87.50	5.55
†4½	15 June '54	92.00	94.00	5.55
*5	2 Dec. '59	92.00	94.00	5.47
5½	1 Oct. '55	95.00	97.00	5.76
6	1 Apr. '47	97.75	98.75	6.17
Saskatchewan:				
4	15 Aug. '53	63.00	65.00	7.88
4	1 Nov. '60	61.00	63.00	7.32
*4½	2 July '45	73.00	76.00	8.84
†4½	1 Oct. '51	75.00	78.00	6.99
†4½	15 Mar. '60	68.00	71.00	7.10
5	1 Aug. '58	71.00	74.00	7.47
†5½	15 Nov. '46	76.00	80.00	8.73
5½	1 Oct. '52	73.00	76.00	8.32
6	15 Mar. '52	77.00	80.00	8.41

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. aPayable N.Y. ‡Callable on or after Sept. 15, 1966. ǀTraded flat. Interest being paid at 50% of coupon rate; minimum rate 3%.

Dividends Declared

	This payment	Date payable	Date of record
Assoc. Tel. & T., pf.	49c	Nov. 15	Nov. 1
Do., special	98c	Oct. 25	Oct. 11
Do., 6% pref. ...	42c	Nov. 15	Nov. 1
Do., special	84c	Oct. 25	Oct. 11
Amer. Cyan., A, B	$1	Nov. 23	Oct. 18
Ault & Wiborg, p.	$1.37½	Nov. 1	Oct. 15
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Bell Telephone	$2	Oct. 15	Sept. 23
Brantford Cord., pf.	32½c	Oct. 15	Sept. 20
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Nor. Pwr., pf.	$1.75	Oct. 15	Sept. 30
Can Industries ...	$1.75	Oct. 30	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Breweries, pf.	50c	Oct. 15	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Comm. Alcohol, pf.	*10c	Oct. 15	Oct. 1
Coast Breweries ..	30c	Nov. 1	Oct. 12
Calgary Power, pf.	$1.50	Nov. 1	Oct. 15
Cons. Press, A	25c	Nov. 1	Oct. 15
Dome Mines	$1	Oct. 20	Oct. 4
Dom. Foundries ..	25c	Oct. 15	Sept. 30
East. Can. Sav. ...	$1.50	Oct. 1	Sept. 20
Eastern Trust	$2	Oct. 1	Sept. 21
Gordon & Belyea, p.	$1.50	Oct. 1	Sept. 28
Gt. Lakes Power, p.	$1.75	Oct. 15	Sept. 30
Gould Pumps, pfd.	‡$2	Oct. 15	Oct. 1
Humberstone Shoe	50c	Nov. 1	Oct. 15
Imp. Bank	$2.50	Nov. 1	Sept. 30
Invest. Found., pfd.	50c	Oct. 15	Sept. 30
Do., arrears	25c	Oct. 15	Sept. 30
Inter Milling, pf. .	$1.25	Oct. 15	Oct. 14
Inter. Nickel, pf. .	$1.75	Nov. 1	Oct. 2
Kelvinator, pfd. ..	$1.75	Nov. 15	Nov. 4
Kirk. Lake	6c	Nov. 1	Oct. 1
Loew's London, pf.	‡35c	Oct. 15	Oct. 2
Macassa Mines ...	10c	Nov. 1	Oct. 15
Maple L. Gardens, pf.	50c	Oct. 15	Oct. :
Maritime Tel.	17½c	Oct. 1	Sept. 15
Do., pref.	17½c	Oct. 1	Sept. 15
Montreal Tele.	80c	Oct. 15	Sept. 30
Montreal Trams. ..	$2.25	Oct. 15	Oct. 4
Mtl. L. H. & Pr. ..	37c	Oct. 30	Sept. 30
McColl-Front., pfd.	$1.50	Oct. 15	Sept. 30
Nipissing M.	12c	Oct. 20	Oct. 5
Nat. Steel Car.	50c	Oct. 15	Oct. 8
North. Can. Mining	4c	Nov. 1	Oct. 1
National Biscuit, c.	40c	Oct. 15	Sept. 10
Orange Crush, pf.	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Power Corp., pf. ..	$1.50	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 15
Do., extra	1c	Oct. 15	Sept. 15
Regent Knit., c. ..	†25c	Nov. 1	Oct. 15
Saguenay Pr., pf. .	$1.37½	Nov. 1	Oct. 15
Sheep Creek Gold ..	2c	Oct. 15	Sept. 30
So. Can. Power, c.	20c	Nov. 15	Oct. 30
So. Can. Pwr., pfd.	$1.50	Oct. 15	Sept. 20
Steel of Can.	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Sullivan Cons.	2½c	Oct. 15	Oct. 30
Toburn Gold	2+1c	Nov. 22	Oct. 22
Tor. Elevators, c. .	50c	Oct. 30	Oct. 20
Tuckett Tob., pf. ..	$1.75	Oct. 15	Sept. 20
United Fuel, pf. ..	$1	Dec. 15	Nov. 30
United Secs.	50c	Oct. 15	Sept. 23
Weston, Geo., pf. ..	$1.25	Nov. 1	Oct. 15
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
Wood, A. & J., pf.	‡$1.75	Nov. 1	Oct. 15

*Initial. ‡On arrears. †Interim.

Municipal Bonds

October 13, 1937	Rate	Due	Bid	Ask.	Yld.
†Halifax ...	5	1961	111.00	112.50	4.17
Hamilton ..	5	1950	112.50	114.40	3.60
Montreal ..	5	1945	105.50	107.00	3.90
Ottawa	4½	1945	107.50	109.50	3.10
†Quebec ...	5	1959	105.50	107.00	4.50
Saint John .	5	1950	106.00	107.50	4.28
†Toronto ..	4½	1956	110.00	112.00	3.57
†Vancouver .	5	1950	88.00	92.00	5.91
Winnipeg ..	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Oct. 13	59,800	76,000	456,000
Oct. 11	Holiday		
Oct. 9	16,400	51,400	204,000
Oct. 8	29,900	71,600	430,000
Oct. 7	39,800	55,700	394,000
Oct. 6	51,300	41,600	402,000

Investment Notes

	Bid	Asked
Can. Amer. Trust	3.20	3.75
Can. Invest. Fund	3.75	4.15
All Can. Trustee	11.25	11.75
Trans Canada	12.95	....
Grouped Income	4.98	5.50
Can. Equity	12.50	....
Can. Int. Tr., modified	5.50	6.00
Do., unmodified	5.00	5.50

Week in Wheat

Wheat Market Reflects Weakness in Securities

Forced Liquidations and Larger Russian Exports Send Prices Lower — Export Business from This Continent Improving

From Our Own Correspondent

WINNIPEG—Further declines in wheat this week were attributed largely to continued weakness in United States security markets forcing holders to liquidate grain in order to strengthen holdings on other markets. Fairly heavy marketings of Russian wheat in Europe were another factor as well as the persistent slowness of American export sales.

Export business in Canadian wheat, however, continues to be done in sufficient volume to ensure complete disposal this season of the current small crop. Lower prices are reported uncovering new demand for United States grain, particularly to Rotterdam. There are rumors also of sales from Gulf ports to the United Kingdom but total volume still remains small in comparison with surplus yet to be sold.

Southern Crops Dry

Reports of rain in the Argentine contributed to some of last week's weakness in the wheat market. Later reports suggested that the rains had not benefitted the districts most in need of more moisture. Estimates of Argentine production continue to run in the neighborhood of 200 million bushels, with reasonably possible variation in either direction of 10%. Practical exhaustion of Argentine export surpluses, so far as Europe is concerned, was indicated last week by the sale of some United States hard winter wheat to Brazil, a market which has been usually regarded as exclusively reserved for the Argentine.

Australia continues to complain of unsatisfactory conditions for the growing crop, and farmers, as a result, are somewhat reluctant sellers of the small supplies of wheat which yet remain on hand.

* * *

Low Offers

Russian wheat seems to sell fairly well on the Continent, but its quality does not seem to recommend it to British millers for extensive use. Low quality of Roumanian wheat is a matter of continued comment, and it is offered at well below prevailing prices.

No great significance can be attached to the comparatively low prices at which Argentine wheat is offered for January shipments. Such offers must be purely speculative, and they are evidently not being met by any great demand from millers. Apparently buyers want to be sure of probable quality of Argentine wheat this season before making forward commitments; and also all buyers seem more concerned with immediate than with future requirements.

* * *

Sell Durum

Business in durum wheat has been a little brisker. Fairly large sales to French Morocco have been reported, while some grain-exporting companies are showing a willingness to accumulate at present levels, no doubt thinking that the prevailing discounts are as wide as are likely to be experienced.

* * *

Alberta Grade Criticism

Alberta farmers are showing an indication to complain of price spreads on grain. Their complaints began when the freight rate situation at Vancouver deprived them of the usual outlet by that port, and they were forced to pay the higher rates to the head of the lakes. Others may see in the situation a high premium on eastern shipments, but the tendency in Alberta is to regard it as an unfortunate discount against shipments west. Their present complaint is in respect to the wide discount on No. 3 Northern as compared with No. 1, 20 cents or over instead of the usual 7 to 9 cents. A great deal of Alberta's wheat is grading 3 Northern, because of green kernels in grain which is otherwise of very high quality, the result of rapid growth after the summer rains. This discount again is simply another expression of the fact that there is a high premium on No. 1. Exporters at Winnipeg, who hold the October option, willingly pay a premium of 12 cents a bushel for No. 1 in order to avoid the risk of having No 3 delivered to them on the option at a discount of 9 cents.

Discontent in Alberta was crystallized by a resolution passed by the Legislature during its recent session, asking the Board of Grain Commissioners to investigate the reason for the wide spread. This was overlooked by most people in view of greater interest in other developments at the legislative session in question. The Board of Grain Commissioners can hardly offer any other explanation except that the exporters are willing to pay a premium on No. 1 Northern, which must be highly gratifying to producers with that grade of wheat to sell. That is, of course, unless someone opens up the old question of mixing grain. Some years ago Parliament included in the Canada Grain Act a clause against mixing in the higher wheat grades. This prevents what would otherwise be done, separation of some of the wheat now graded as No. 3 Northern and mixing it with No. 1 Northern or No. 1 Hard to produce a No. 2 Northern. Such a practice, if practical, would tend to narrow the discount on No. 3.

DIVIDEND NOTICES

Oshawa Buildings Limited

Funds have been deposited to meet payment of coupon No. 12 (due January 1, 1934) on and after October 15, 1937, of its issue of 6½% First Mortgage Bonds maturing January 1, 1943.

"L. V. Disney,"
President.

San Antonio Gold Mines Limited

(No Personal Liability)

Interim Dividend Number Eight

Notice is hereby given that a dividend of seven cents (7c.) a share on the outstanding capital stock of the company has been declared, payable November 5, 1937, to shareholders of record at the close of business on the 20th day of October, 1937.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg, October 8, 1937.

ANGLO-CANADIAN TELEPHONE COMPANY

PREFERRED DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and Three-Eighths Per Cent (1⅜%) has been declared on the 5½% Cumulative Preferred Stock of the Company for the Quarter ending October 30, 1937, payable November 1, 1937, to Stockholders of record at the close of business on October 15, 1937.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, October 14, 1937.

MACASSA MINES

LIMITED

(No Personal Liability)

DIVIDEND NO. 10.

NOTICE IS HEREBY GIVEN that a dividend of Ten Cents per share on the issued capital stock of the Company will be paid on November 1st, 1937, to shareholders of record October 15th, 1937.

The Canadian five per cent tax will be deducted from dividends payable to nonresidents of Canada.

By order of the Board.

L. SOLIAGUE,
Secretary.

Toronto, October 8th, 1937.

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 50

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c. per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending October 31st, 1937, payable November 15th, 1937, to shareholders of record at the close of business on October 30th, 1937.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, October 4th, 1937.

GEORGE WESTON LIMITED

Preferred Dividend No. 7

Notice is hereby given that a dividend being at the rate of 5% per annum has been declared on the Preference Stock of this Company, payable on the 1st day of November, 1937, to Shareholders of record at the close of business on the 15th day of October, 1937.

Toronto, October 6th, 1937.

W. H. KEMP,
Assistant-Secretary.

A. J. PATTISON Jr. & CO. Ltd
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Heavy Rains Now General Through West

Above Normal Fall Precipitation Reported in Most Areas

SUB-SOIL SOAKED

Not drought but wet weather may be the menace in western Canada next year if the heavy rainfall this autumn is continued. Practically the whole of the West has received an average of 2 inches since August and in some sections up to 3 inches has fallen.

Average rainfall throughout Manitoba since Sept. 1, according to a report by Sanford Evans Statistical Service has been 3.07 inches as compared with slightly over 2 inches a year ago and a normal of slightly under 2 inches.

While a fairly narrow section stretching from below Saskatoon to the southwest border of Saskatchewan is still dry, average rainfall for the province since the beginning of the first month of fall has been slightly over 2 inches. This compares with under an inch a year ago and a normal of 1.33 inches. In the southeast corner, which was particularly hard hit by drought this summer, precipitation has been particularly heavy with close to four inches of rain since the beginning of September.

Alberta has been particularly wet, so much so, in fact, that late harvesting has been hampered seriously and grades of late threshed wheat have been lowered. Rainfall has averaged almost 3½ inches, or more than twice as much as a year ago and also slightly more than double normal.

In both Manitoba and Alberta the subsoil moisture situation is now considered satisfactory and this also applies to a steadily growing area in Saskatchewan.

Bawlf Grain Reports Loss

Fails to Earn Bond Interest Before Depreciation

From Our Own Correspondent

MONTREAL.—Sharp reduction in both earnings and working capital in the year ended July 31 last is reported by N. Bawlf Grain Co., which operates grain elevators in western Canada.

For the first time since the 1930-31 fiscal year, the company failed to show bond interest earned before depreciation, operating loss for the year amounting to $75,899. In the year ended July 31, 1936, an operating profit of $145,467 was shown.

During the year the company made no provision for depreciation so that net loss for the year was $90,847. If depreciation had been provided on the same scale as last year then the deficit would have been $189,000.

Bank loans of $353,000 were liquidated during this year, and inventories were reduced by almost $650,000 to $203,000. Cash increased from $14,000 to $136,000 and accounts receivable from $62,000 to $183,000.

Working Capital Down

Due to the loss on operations and expenditures made on elevators, working capital was reduced during the year from $374,455 to $156,435. Expenditures on repairs and modern installations in country elevators during the year amounted to $129,335. R. W. Milner, president, states that such repairs can, therefore, be limited during the present season.

Funded debt was reduced during the year by $35,000 to $265,000. On March 1 next the final installment of $60,000 on the series A bonds falls due.

Cons. Income and Surplus Account
Years Ended July 31

	1937 $	1936 $
Operating loss	75,899	145,467
Less: Inc. from invests.	32,404	4,502
Add: Exec. salaries ..	29,854	30,747
Depreciation	......	98,667
Bond interest	17,496	19,824
Income tax	......	500
Loss for year	90,847	▲231
Add: Prev. surplus ..	378,012	383,415
Less: Property adjusts.	53,788	1,485
Loss on invests.	2,466	......
Income tax adjust. ..	......	4,149
Balance forward	230,909	378,012

Working Capital

	1937 $	1936 $
Current assets	546,644	1,010,232
Current liabilities	390,209	635,777
Working capital	156,435	374,455

Earnings Rise On U.S. Lines

From Our Own Correspondent

MONTREAL.—Operating results of the Canadian Pacific and Canadian National Railways on their lines in the eastern part of the United States improved during the first eight months of the current year.

Deficit on the Canadian National lines in New England for the period amounted to $403,257, a reduction of almost $100,000 from the corresponding period of last year.

For the same period, the Canadian Pacific reports net earnings of $70,636 on its lines in Maine, compared with a deficit of $119,681 last year.

On C.P.R. lines in Vermont the deficit for the eight months was $307,401 as compared with $449,835 in the same period of 1936.

Detailed figures for August and the eight months are given below:

C. N. R. Lines in New England	1937 $	1936 $
Month of August:		
Gross earnings	127,135	123,532
Net earnings	d32,684	15
Net after rents	d79,371	d38,476
Eight Months ended Aug. 31:		
Gross earnings	996,261	877,449
Net earnings	d43,415	d171,430
Net after rents	d403,257	d502,016

C. P. R. Lines in Maine	1937 $	1936 $
Month of August:		
Gross earnings	126,265	132,863
Net earnings	10,797	11,129
Net after rents	d10,230	d10,972
Eight Months ended Aug. 31:		
Gross earnings	1,704,553	1,506,720
Net earnings	316,331	115,023
Net after rents	70,636	d119,681

C. P. R. Lines in Vermont	1937 $	1936 $
Month of August:		
Gross earnings	94,801	89,437
Net earnings	d5,660	d9,480
Net after rents	d29,322	d35,964
Eight Months ended Aug. 31:		
Net earnings	d91,763	d244,748
Net after rents	d307,401	d449,835
Gross earnings	790,684	663,752

United Fuel to Pay $1 on 6% Preferred

A dividend of $1 a share on the 6% preferred stock of the United Fuel Investments has been declared payable Dec. 15 to shareholders of record Nov. 30. A payment of $3 a share was made Aug. 16, these being the first since 1931.

The annual meeting of shareholders is to be held Oct. 29. It has been deferred in expectation that directors would be able to announce a reorganization plan. Negotiations in this connection are stated to be proceeding. "It is indicated," says an official statement, "that they will be brought to a conclusion within the comparatively near future."

In the year ended Mar. 31, 1937, the company earned $4.85 a share on the preferred, compared with $2.37 a share in the preceding year.

B. C. Pulp and Paper To Pay Nov. 1 Coupon

From Our Own Correspondent

MONTREAL. — British Columbia Pulp and Paper Co. will pay the interest coupon due Nov. 1 next on its 7% general mortgage bonds.

With the exception of coupon due May 1, 1935, this will be the first interest payment on the general mortgage bonds since Nov. 1, 1931. In 1935 bondholders agreed to postponement of all interest payments due May 1, 1932, to May 1, 1937, inclusive, with the exception of May 1, 1935, coupon for which was paid at that time. Postponed interest is payable Nov. 1, 1940.

World Wheat Production Above Average This Year

Total wheat production this season for the Northern Hemisphere excluding Russia, is estimated by the International Institute of Agriculture at almost a billion more bushels than in 1936. Total is placed at 3,905 millions against 2,995 millions a year ago and an average of 1,092 millions for 1930-34.

This gain will probably permit some rebuilding of world reserves which have become steadily and seriously depleted during the short crop cycle since 1933.

Of the important producers only Canada shows a serious decline for the current year which has been more than offset by increases in Europe and in the United States. Europe's steadily expanding acreage of wheat as a result of campaigns aimed at self-sufficiency in food by several former big importers is clearly indicated by total production this year of 2,235 million bushels. This is more than 600 millions above average and also this much above the total crop of last year. The gain has been made in the face of rather unfavorable growing weather in France and Germany.

Oriental countries show a small increase this year as compared with 1936 and 1935 but a very substantial gain over the average. In north Africa, once considered a very serious competitor of North America, there is very little change.

Details of Northern Hemisphere production for this year for comparisons are as follows:

Wheat Production
(000 bushels)

	1937	1936	Average 1930-34
France	246,200	255,932	305,316
Germany	157,886	169,845	170,209
Italy	294,305	224,272	252,602
Poland	65,771	78,263	74,267
Spain	147,000	121,490	158,080
U. K.	55,814	55,082	50,975
Bulgaria	64,233	59,304	52,864
Roumania ...	135,983	128,716	103,446
Yugoslavia ..	86,300	107,421	79,494
Total Europe*	2,135,825	1,488,876	1,520,084
North Africa.	116,112	95,791	118,164
Japan	49,603	45,194	36,799
India	365,165	340,813	357,280
Turkey	139,600	138,466	93,128
Total‡	566,409	541,588	496,255
U. S.	885,950	626,412	731,661
Canada	188,181	229,218	348,560
Total§	1,087,080	869,285	1,092,301
Grand total .. (33 countries).	3,905,426	2,995,540	3,226,804

*Including small producers not mentioned above.
‡Including also Korea but not China.
§Including Mexico.

What's What In Advertising

By JEAN R. GEMMELL

Automobile manufacturers are introducing their new 1938 models to the public at the present time by the use of heavier advertising campaigns than in the past and also by elaborate dealer presentations. Packard introduced their new line at a preview in Toronto and Montreal late in September and consumer advertising through Young & Rubicam followed with large space in daily papers, trade papers and posters. The Chrysler Corporation of Canada have advertising schedules ready to break late in October through Walsh Advertising Co. Hudson Motor Car Co. of Canada have presented their models and will continue their advertising much along previous lines until the end of the year. General Motors of Canada plan to be ready about the middle of this month and will follow their showing with consumer advertising while Ford does not expect his new line until the end of October. Hupmobile will again be found among Canadian advertisers placing copy through Grace & Bement Inc., Detroit, and Nash will increase its advertising appropriation for the coming year and use heavier newspaper schedules across Canada. Weekly papers, magazines, posters and trade papers will also be used. A McKim Limited place the advertising. Graham-Paige of Canada Limited, whose new models show the most pronounced changes of any of the 1938 cars, will have their campaign ready to announce shortly.

* * *

The fall campaign of Quaker Oats Co., Peterborough, Ont., will appear in a wide list of newspapers across the Dominion shortly and continue for the balance of the year. Farm papers are also to be used. Lord & Thomas of Canada Ltd., Toronto, handle the campaign.

* * *

J. J. Gibbons Limited have been appointed to handle advertising for Di-So-Ma Products, Montreal. Newspaper advertising will follow the radio campaign.

* * *

Gillette Safety Razor Co. Ltd., are making advance trade announcements of their new gift package for the Christmas trade. It includes a bakelite ash tray free with the purchase of 50 Gillette blue blades at the regular price. These trays come in assorted colors.

* * *

Deacon Shirt Co., Belleville, Ont., are releasing a campaign featuring new Deacon internationally styled ski wear. E. W. Reynolds will release copy to magazine, rotogravure and class publications.

* * *

The seventh annual exhibition of the Advertising and Sales Club of Toronto is to be held in the Royal York Hotel, Oct. 25 to 28. Many important speakers are to be heard during the sessions. Among the guest speakers are Sir Gerald Campbell, British Consul General in New York; Dr. Hubert Greaves, director of the department of public speaking at Yale University; Porter Leach, outdoor advertising consultant of New York, Z. Kaufman; W. G. Abel, who has recently returned from a four-year stay in England as managing director of Campbell Soups, Ltd., and now with MacLaren Advertising Agency, and Elmer Wheeler.

Commodities

Generally commodity prices continue the downward trend of the last few months. But because, until very recently, most of these declines have been registered in lines such as silks, cotton, rubber, coffee, etc., that are not produced in Canada this recession has been probably of more benefit than harm to industry in this country. This distinction, too, accounts for the greater weakness in international and American indices than in Canadian.

Last week, however, wheat sustained considerable losses which naturally affects the Canadian producer. A recession in hogs, too, was another factor of importance though the decline in this case was offset by a gain in cattle prices.

Price Range

	Latest week	Previous week	Same week last yr
Cattle	$10.00	$9.25	$5.75
Hogs	10.25	10.85	8.90
Copper, lb.	.13	.13	.09¾
Cotton, lb.	.0830	.0847	.1221
Rubber, lb.	.1681	.1775	.1650
Sugar, raw, lb. ..	.0315	.0320	.0335
Silk, lb.	1.70	1.77	1.71½
Wheat, Man. (bu.)	1.37	1.42¾	1.11⅝
Coffee, lb.	.09⅛	.09¼	.08
Hides	.13½	.15¼	.11¾

Weekly Indices

N. Y. Annalist*	93.0	94.0	84.8
Fishers'	89.8	90.7	84.0
N. Y. Journal of Comm.	85.5	87.2	82.1
Crumps (Brit.)	81.1	81.7	71.7
U. S. Labor	87.3	87.5	81.5
Canada (D.B.S.) ...	85.2	85.0	76.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Sept.)	83.4	83.6	81.9
W'sale (Sept.) ...	85.2	85.6	76.4
U. S. (July)	87.9	87.2	80.5
Gt. Brit. (July)	111.5	110.6	93.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North. Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto
*Revised.

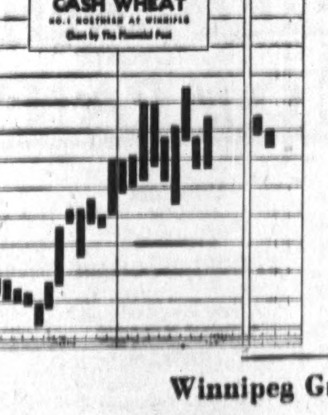
Swift Current After New Interest Agreement

A delegation from Swift Current, Sask., recently conferred with bondholders' representatives in Toronto in an attempt to arrive at an agreement on the terms of payment of debenture interest by the city. No final decision was arrived at but the delegation has taken a proposal from bondholders back to the council.

Swift Current has been operating under a board of supervisors since 1932. The terms of the present agreement, which expires Dec. 31, 1937, provide for payment of interest at the rate of 3½% but the agreement has not been carried out completely. Actual payments in the past few years have been as follows: 1932, 2½%; 1933, 1½%; 1934, 1%; 1935, 1%; 1936, 1½%.

Debenture debt was $1.4 million at Dec. 31, 1936, against which a sinking fund of $371,582 has been provided.

Wheat Prices



(Cash Quotations)

	For Week Oct. 12 High	For Week Oct. 12 Low	Prev. Week High	Prev. Week Low
1 Man. Hard ...	1.40	1.34⅝	1.45½	1.39¼
1 Northern	1.40	1.34⅝	1.45½	1.39¼
2 Northern	1.36½	1.29⅞	1.41½	1.35¼
3 Northern	1.20¾	1.14½	1.25½	1.19½
4 Northern	1.15	1.08⅜	1.22½	1.13¾
5 Wheat	1.10½	1.04⅜	1.16⅛	1.09¼
6 Wheat	1.02½	.96⅜	1.06⅛	1.01¾
Feed Wheat	.82½	.76⅝	.90⅛	.83¾
Vancouver: Week to Oct. 8:				
1 Northern	1.32⅞	1.26¾	1.36¾	1.34¾

Competitive Export Prices:

Oct. shipments:	Week to Oct. 12 High	Week to Oct. 12 Low
No. 1 North. (Atlan.) ...	1.67	1.60
No. 2 North. (Atlan.) ...	1.64½	1.57⅜
Australian	1.49	1.41⅛
Indian (new crop)	1.34⅝	1.31⅛
U. S. Hard Winters	1.34⅝	1.27⅛
Argentine (Rosafe)*	1.27⅛	1.21⅛
Rumanian	1.20⅝	1.17⅛
Russian†	1.29⅛	1.26¾

*New crop, Jan.-Feb. †Oct.-Nov.

Winnipeg Grain Futures

Week to Oct. 12, 1937

Crop year from Aug. 1, 1937 High	Low		Close Oct. 6	High for week	Low for week	Close Oct. 12
		Wheat				
1.36	1.20¾	Oct.	1.26⅛	1.28⅜	1.21⅝	1.22⅝
1.29½	1.16⅝	Dec.	1.22⅛	1.24⅝	1.16⅝	1.18⅛
1.30¾	1.16¼	May	1.22⅛	1.24¼	1.16¼	1.17⅞
1.34⅝	1.21⅝	Nov.	1.26	1.29⅛	1.21⅝	1.22⅛
		Oats				
.55¾	.43¾	Oct.	.51⅛	.54⅝	.51⅛	.52⅝
.51⅝	.40¼	Dec.	.49	.49⅞	.47⅝	.48
.51	.42⅛	May	.48	.48⅝	.46⅞	.47
		Barley				
.67½	.54¾	Oct.	.65	.65⅛	.63	.63
.65⅞	.52½	Dec.	.62½	.63⅝	.60⅝	.61¼
.64½	.53¼	May	.62	.62⅝	.59¼	.60⅛
		Flax				
1.80¾	1.72¾	Oct.	1.77	1.78⅛	1.72¼	1.73½
1.80¼	1.72	Dec.	177¼	1.79	1.73	1.73
1.82	1.74	May	1.79	1.79¾	1.74	1.74
		Rye				
.96½	.83	Oct.	.89	.89⅞	.83¼	.83¼
.95	.80⅝	Dec.	.88⅜	.89⅜	.82¼	.82½
.95⅝	.82	May	.89¼	.91	.83⅜	.83⅜

GRAIN MERCHANTS In World Trade
Owning and Operating
Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

British America Elevator Company, Limited
WINNIPEG - MANITOBA
We Own and Operate 130 Country Elevators in
MANITOBA - SASKATCHEWAN - ALBERTA
Licensed Country Grain Warehousemen
Commission Merchants — Track Buyers
Members:
Winnipeg Grain Exchange Chicago Board of Trade
Minneapolis Chamber of Commerce

A Complete Investment and Trading Service
STOCKS . . . BONDS
GRAIN . . . . MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

NORRIS GRAIN COMPANY
LIMITED
PRIVATE WIRE SYSTEM
GRAIN—STOCK—BONDS
Principal Offices:
WINNIPEG, TORONTO, MONTREAL, VANCOUVER, VICTORIA

NOTICE
To Property Owners and Investors

Two important series of special articles of interest and value to every owner of real estate and to every investor are in preparation to appear exclusively in THE FINANCIAL POST.

Commencing in October 23rd issue, ten weekly articles, "Realities in Real Estate Ownership," a complete analysis of present-day problems.

Commencing early in November, ten weekly articles, "How to Profit From the Figures," a complete analysis of company reports, the meaning of the figures, etc.

If YOU are not now a subscriber to The Post, the best way to make sure you read every one of these valuable twenty articles is to have the paper delivered each week at your home or office.

Full Year — 52 weekly issues — $5.00
Half Year — 26 weekly issues — $2.50

FREE As a Subscriber-by-Mail you will be entitled to the full privileges of the Investment Enquiry Service — replies by personal letter to your questions at any time regarding your Canadian investments.

Use This Order Form - Today

THE FINANCIAL POST,
481 University Avenue, Toronto, Canada.
Send me The Financial Post for One Year—$5.00
Half Year—$2.50
Herewith
Or Bill Me $..........
NAME ....
ADDRESS ....
.... Occupation 850

Insurance

Canadians Force Pace In British Life Sales

Income Tax Reductions Encourage Buying of Insurance

Because the Britisher has thrift in his blood, endowment insurance is by far the most popular type in the British Isles, according to N. Wallis Streat, manager of the United Kingdom office of the Confederation Life Association.

WALLIS STREAT

"The Britisher doesn't like the idea of not being able to pay for operations and other unforeseen charges," this forthright Lancashire man continued. "He likes saving far better than gambling. The endowment policy, therefore, appeals to him more than anything else."

Tax Reduction

Because the income tax regulations of Britain allow a one-half deduction of the regular rate for insurance premiums, Britishers find an additional reason for endowment policy investment.

More and more insurance is becoming a strong competitor for investment money.

Many of Britain's wealthy men are loading their portfolios with endowment policies, maturing in 5, 10, 15 years time, because of the income tax saving and because of the uncertain political situation.

To restrict this means of escape from the staggering income tax, the Government has however, imposed some restrictions. One rules that only one sixth of a man's income going into insurance premiums gets the tax reduction.

Canadians Force Pace

Canadian insurance companies are "forcing the pace" in the British Isles, Mr. Streat maintains.

"What we call the home companies are still using the old methods. They haven't yet got the idea of analyzing a man's financial set-up and giving him a real service by showing him the best type of policy."

British life insurance agents are salaried contact men, rather than salesmen. Bank managers, investment and insurance brokers actually place most policies. The insurance "agent" merely circulates among these insurance placers, and cultivates their business.

"The Canadian companies in Britain are using trained salesmen the same as in Canada. Our men give our clients a definite service in studying their insurance needs."

Because of the rigid stratification of British society, British insurance salesmen are drawn from all classes. "If we have a client in the top rank of society, we have to have a man who moves in precisely the same circles," Mr. Streat explained.

British social legislation—old-age pension, health and accident insurance—has had virtually no effect on insurance sales. "These things touch only those in the low income brackets—the man below $2,000 a year."

Canada's Credit Hurt

Canadian credit in Britain is having a hard time to survive Mr. Aberhart, power bond cancellation, revelations about Montreal civic politics of some years ago, tales of prairie drought and the old Grand Trunk Railway, Mr. Streat said.

"The latest along this line was a university professor who went over to England and told a big audience that in a few years the prairies would be like the Sahara," Mr. Streat added indignantly. "Why, in the name of heaven, will people go on this way giving their country a black eye? We are continually meeting people who listen to our proposition, say it's a good thing, and that they will take it—but with another company. They're scared of Canada."

Obituaries

S. H. Henderson, president and one of the founders of the Wawanesa Insurance Co., died Sept. 21. He had acted on the board of the company for 41 years and had been president since 1914. Mr. Henderson lived in the settlement of Chesley, five miles west of Wawanesa, Manitoba. In the 23 years during which he headed the Wawanesa as president, the company expanded its services from coast to coast.

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE. WINDSTORM. AUTO. CASUALTY.

FIDELITY
Insurance Company
of Canada
TORONTO

Ontario Fire Loss Again Shows Drop

Marshal Reports Decrease of $170,000 for Nine Months

Fire loss for the first nine months of 1937 shows a continuation of the downward trend, according to the third quarter report of the Ontario Fire Marshal. At the end of the nine months, decrease for the year totalled $170,000 and insurance loss was decreased $515,000 which is a 10% decrease over the same period last year. Barns were the only class of risk to show a substantial increase while factories and dwellings were down sharply.

Number of arson convictions so far this year exactly equals those for the same period last year, but there are a large number of cases now awaiting trial. For the nine months of 1937, out of 42 cases brought to trial, convictions have been registered in 33.

Thirty-seven persons have lost their lives through fires in Ontario this year.

War Risk Policies Too Great Gamble

Can't Calculate Hazard — Canada Little Affected by Ban

One Canadian underwriter with a large policy including war risk coverage coming up for renewal shortly fears that the decision of the 300 British companies not to write any more war risk insurance may hit him severely. Few in Canada will be affected by the decision, however.

Developments of aerial warfare have introduced an incalculable hazard in such insurance, the joint statement of the British companies declared, adding that there is no means of estimating the economic rate of premium in face of such a menace. "The Great War can be no guide owing to the vast strides made in the perfection of offensive weapons since the Armistice. The wide range of action of modern aircraft has made the area of destruction almost illimitable. Writing of war risks on land has become in fact little more than a gamble which plays no part in insurance where rates are based on scientific application of the law of averages as ascertained through experience."

"It may be suggested that abandonment of war risk insurance will prove in itself to be a substantial contribution toward the cause of world peace."

New policies and those renewable will carry a clause stating that no liability is attachable to the company in case of war, declared or not, civil war, or revolt. The statement added that companies throughout the world are falling in line with this action.

University of Toronto Plans Firemen's Course

University training course for firemen is now under consideration by W. J. Dunlop, director of the department of extension, University of Toronto and Ontario Fire Marshal W. J. Scott.

"We are now collecting information from other universities such as Michigan and Illinois where such a course is in progress," Mr. Dunlop said. "We are meeting early in November to plan it."

The course would include study of various types of building construction, the action and effect of different gases, and other subjects of practical value to the firefighter.

The course will be given in cooperation with the office of the Ontario Fire Marshal and the Dominion Association of Fire Chiefs.

Bay-Adelaide Garage Makes Interest Payment

Bay-Adelaide Garage Ltd., on Oct. 15, 1937, will pay interest which became due on its 6½% first mortgage bonds on Oct. 15, 1932. No payments have been made since default first occurred in 1932.

Taxes on the property have been paid to Dec. 31, 1937, and all current accounts are paid. For eight months of this year, revenue available for interest has increased about $250 a month but is still far short of full requirements. It is stated that the parking and garage business is still suffering from competition offered by vacant property used for parking purposes.

Insurance Inklings

"People are borrowing less on their policies and are doing better in making payments on their premiums," declared Ford S. Krumpf, president and managing director of the Dominion Life Assurance Co., speaking at London Ont., in the course of a visit to all company branches in Canada and Michigan. "Our business in British Columbia is just about double that of last year," he said, admitting that that province had somewhat suffered from the Sino-Jananese conflict.

Operating solely in Canada's four western provinces, Western Empire Life Assurance Co. reports that at the end of the third quarter of 1937 there was an increase in sales of new life insurance of 22%, and a gain in new cash premiums of 28%. H. S. Robinson, general manager, credits pictorial selling methods and some expansion of field forces.

J. W. Miller, general manager of Occidental Life Insurance Co. with Canadian head office at London, Ont., announces collection records on all policies in force in Canada have been transferred to head office at London. Premiums and other payments, effective Oct. 1, 1937, will be payable there.

The semi-annual meeting of the Actuarial Society of America will be held at the New Ocean House, Swampscott, Mass., Oct. 14 and 15.

New Licenses

The Federal Department of Insurance announces that certificate of registry has been issued to:

The Pacific Coast Fire Insurance Co. to write insurance against intentional or other damage to, or loss of, property of any kind, real or personal, in addition to the classes for which it is already registered.

30TH ANNIVERSARY

C. C. Ferguson, A.I.A., F.A.S., general manager of Great-West Life on Oct. 1, celebrated the 30th anniversary of his joining the company. A reception was held in the head office club rooms. Coming to Winnipeg in 1907, as actuary, Mr. Ferguson was appointed general manager in 1915.

Quality Business Insurance Goal

U. S. Life Executive Warns Against Overrating of Volume

Insurance company goal for the coming year should not be record volume, but reasonable volume within proper expense limits, Richard Boissard, vice-president of the Guardian Life, told an audience at the American Life Convention this week. Three possible aims, he said are, low-cost insurance for policyholders' advantage, rapid company growth, which is to the advantage of the executives, or a better sales organization, helping the salesmen. "The company cannot go three ways at once nor serve three divergent interests without compromise." Quality business is profitable to the company, to the agent and, to the policyholder.

Slow Recovery

Another convention speaker, D. Gordon Hunter, vice-president, Phoenix Mutual Life, pointed out that life insurance had been slower to come out of the depression than other businesses. While U. S. manufacturing and minerals had gone up 40% since the depression low, life insurance sales were up only 6% and at the end of 1936 were 40% behind the general business average. Life companies, he believed should study the fundamental reasons for the lag. While other businesses spend large sums for research, life insurance companies spend only 19/10,000 of 1% in co-operative research.

Men selected for sales by insurance companies should have jobs and "should not be the sort that has failed in other lines of effort" O. M. Curb, assistant secretary, American National Life, believed. Requisites for sales force are, he said, youth, character, judgment, adaptability, wife, children, home, not less than high school education and preferably university.

Regina Faces Relief Crisis

Saskatchewan Cities Seek Further Provincial Aid—Expenditures Lower

Evidence that the question of who is to pay relief costs in Saskatchewan is approaching a crisis is seen in the action of the Regina City Council in refusing to give relief to those who have abandoned their farms and moved to the city.

Recently, two appeals against the refusal of the Regina relief committee to grant relief were turned down by the city council. Two families had sold their holdings and moved to the city and were now asking relief after living on the proceeds of the sale for some time. This action was condemned by the council and the policy defined that no one who had abandoned farms to move to the city would be paid relief. According to the statement of Mayor Ellison, "we are serving notice that no one who has come into Regina in the past 12 months to get relief will be given it." The city's relief payments have totalled $153,234 to Aug. 31, in 1937, out of total cost of $776,173, the balance being paid by the Provincial Goverment.

In previous instances certain rural municipalities had been accused by city authorities in the province of deliberately depopulating their districts to avoid relief costs.

Ask 90% From Province

The Provincial Government in Saskatchewan has advised Regina authorities of its willingness to continue to pay 80% of the cost of relief to the end of September, extending an agreement made some time ago. Regina authorities have accepted this offer but are reiterating their stand that they are only willing to pay 10% of direct cost and 50% of administration costs after the end of September. The executive of the Union of Saskatchewan Municipalities met in Regina on Oct. 8 to submit views on a relief agreement to the Government. Part of their demands from the province is that the municipalities be asked to pay only 10% of relief costs.

Expenses Under Estimates

Regina's interim statement for the eight months ended Aug. 31, 1937, shows expenditures for the period to have been $1.2 million, $35,650 under budget estimates. For the same period of 1936 expenditures were $7,276 above estimates. Revenue for the 1937 period has been $1.2 million. The 1937 municipal levy is $1,158,436, of which $773,678 had been collected to Aug. 31. In 1936 total levy was $1,108,792, of which $739,896 had been collected to the end of August.

The city's municipally owned utilities report a surplus of revenue over expenditure of $337,594 in the first eight months of 1937.

Coast Breweries Raises Dividend to $1.20 a Share

Coast Breweries Ltd. has announced a dividend on its ordinary stock of 30 cents a share, payable Nov. 1, 1937, to shareholders of record Oct. 12. This marks an increase in the regular annual dividend rate to $1.20 a share from the previous rate of $1.08 a share.

Casualty Companies Get Chance to Present Case

Because certain casualty insurance firms have not been keeping to the rules which they agreed to accept and because others have never agreed to comply, the Association of Superintendents of Insurance this week is giving all companies an opportunity to express their opinions regarding the "Joint Committee."

Chairman Hartley D. McNairn, in collaboration with all provincial superintendents, has drafted a memorandum with a view to finding "the reason for this lack of cooperation.

"Although upward of 187 companies had signed the articles of agreement between fire, marine and casualty insurers, a number of companies, including a number of those signatory to the agreement, were not observing the definitions and rulings of the committee."

McNairn Questionnaire

Questions company heads are requested to answer are:

Is the principle of the "Joint Committee" as a means of giving stability, regulation and establishment of fair business practices sound? If in your opinion it is not sound, briefly state your reasons.

Is the composition of the Joint Committee in the aspect of its representation of all classes and types of insurers, and the method of its appointment, satisfactory? If you consider it unsatisfactory, briefly state your objections and submit suggestions.

Are you in favor of the enforcement of the definitions and rulings of the Joint Committee and, if so, in what manner?

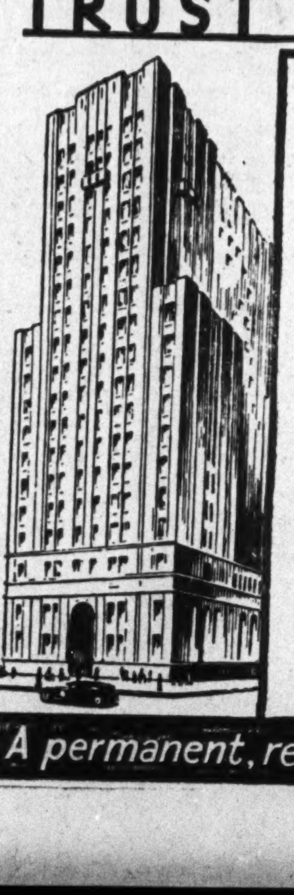
Is your company a signatory to the agreement?

Have the definitions and rulings of the Joint Committee been observed by your company? If your company, although a signatory, has not observed the definitions and rulings, state why.

What objection have you to Annex X or Annex Y of the agreement or to any definition, ruling or bulletin of the Joint Committee?

The purposes of the agreement are "to agree upon and secure uniformity in the definition and interpretation of the underwriting power of fire, marine, and casualty insurers," and "to promote good underwriting practices."

THE
CANADA PERMANENT
BAY AND ADELAIDE STREETS, TORONTO
TRUST COMPANY



Directors
President
F. GORDON OSLER
1st Vice President and General Manager
JOHN A. ROWLAND, K.C.
2nd Vice President
E. D. GOODERHAM
GEORGE W. ALLAN, K.C.
A. B. CAMPBELL, W.S.
F. S. CORRIGAN
GEORGE H. GOODERHAM
JOHN R. LAMB
CHARLES S. ROBERTSON
ROY L. WARREN
Manager
A. E. HESSIN
A permanent, responsible institution

Quebec Fair Wage Board Emphasizes Arbitration

From Our Own Correspondent

MONTREAL.—In a statement issued by Judge Ferdinand Roy, chairman of the Quebec Fair Wage Board, emphasis is laid on the fact that the board is an arbitration tribunal.

The statement, in part, follows:

"The purpose of the board is to work for the maximum benefits to society as a whole, and this will not be easy to accomplish for several reasons. The board is only one branch of the legislative body which exists to maintain a fruitful equilibrium between the respective interests of capital and labor. It will frequently have to work in, and to impose its decisions upon, an atmosphere of trouble, discouraging and sterile, full of bitterness and hostility, which often surround the struggle between classes, because class struggles and strifes may hamper one of the most efficient means of action the act places in the hands of the Arbitration Tribunal; namely conciliation procedure.

"Employers and employees can be, and, we believe, must be themselves the principal parties in restoring to society the benefits which emanate from such procedure and which will compensate them, in large measure, for whatever points they have conceded. Under this period of procedure—to which the board is restricted—the two parties have all the machinery necessary, where a spirit of justice and charity prevails, to produce a collective life or understanding that is sane and comfortable. It will be a pity if this machiney of peace is transformed, out of impatience and bad feeling, into a dangerous weapon.

"The task, as understood by us, is to assist the contending parties to bring about agreements among themselves, and we hope to impose our authority only in cases in which tentative satisfactory arrangements have been made and out of which agreements will finally be achieved."

Quebec's fair wage board has entered into negotiations with representatives of the Associated Textile Co. of Louiseville, P.Q., and the International Union of Textile Workers seeking a base on which to prepare a scale of wages for Quebec's whole textile industry.

A number of other cases are to be heard by the board, including the dispute between the Dominion Textile Co. and its employees numbering around 10,000.

Shawinigan Sales Of Appliances Up

From Our Own Correspondent

MONTREAL.—Sales of electrical appliances by Shawinigan Water & Power Co. during the first seven months of 1937 had a value of $271,000. This contrasts with $212,000 for the same period last year and with $82,500 in the first seven months of 1933.

As at July 15 last, the commercial and distribution department of Shawinigan served 45,100 domestic and 10,200 farm customers, as compared to 43,200 domestic and approximately 9,000 farm customers at the same date in 1936.

Trans-Canada Press Wins Appeal in Who's Who Case

Trans-Canada Press Ltd. and A. L. Tunnell won an appeal at Osgoode Hall, Toronto for the right to use as title of one of its publications, "The Canadian Who's Who," which is under the editorship of Sir Charles G. D. Roberts.

The appeal was against a judgment granted to International Press Ltd., who asked an injunction restraining defendants from using titles or any combination of words only colorably different from the title, "Who's Who in Canada."

Chief Justice Rowell also found for the appellant against the judgment restraining him from using lists of subscribers of the respondents obtained by defendant while in the latter's employ. "The appellant has pledged his oath that he has no confidential lists in his possession and has used none in the two books published by him. I do not find anything in the evidence which would lead me to a contrary conclusion." the chief justice observed.

N. B. Power Board Looks for Record

Expect Gross Income in 1937 Will Establish New High Mark

From Our Own Correspondent

MONTREAL.—Gross revenues of the New Brunswick Electric Power Commission will probably reach $1 million this year, according to an estimate based on reports of operations for the 10 months ended Aug. 31. The largest gross income ever reported by the Commission was in the past fiscal year, when revenue totalled $996,686.

The Commission reports that the power output for the first eleven months of the fiscal year amounted to 55 million kw.h. This contrasts with 43 million kw.h. consumed in the corresponding period of last year, an increase of 12 million kw.h.

The dry season has made it the poorest year on record for the generation of power at the Musquash plant which only produced 17 million kw.h. where under average conditions it produces around 19 million kw.h. As a result of restriction at the Hydro plant, it was necessary to use the steam power at Grand Falls to a greater extent.

Construction period is over for the present season, during which the Commission built 190 miles of rural lines including the lines to St. George.

Dominion Foundries Again to Pay 25c

A dividend of 25 cents a share has been declared on common stock of the Dominion Foundries & Steel Ltd., payable Oct. 15 to shareholders of record, Sept. 30.

This is the second dividend of 25 cents paid this year, the previous one being on July 15.

The husbandry of today yields the fruits of tomorrow.
So co-operative thrift through Life Insurance has brought security for loved ones and contentment in old age to many thousands of the Sun Life family all over the world.
WORLD WIDE
SUN LIFE OF CANADA
SECURITY SERVICE
THERE'S A SUN LIFE POLICY FOR EVERYONE

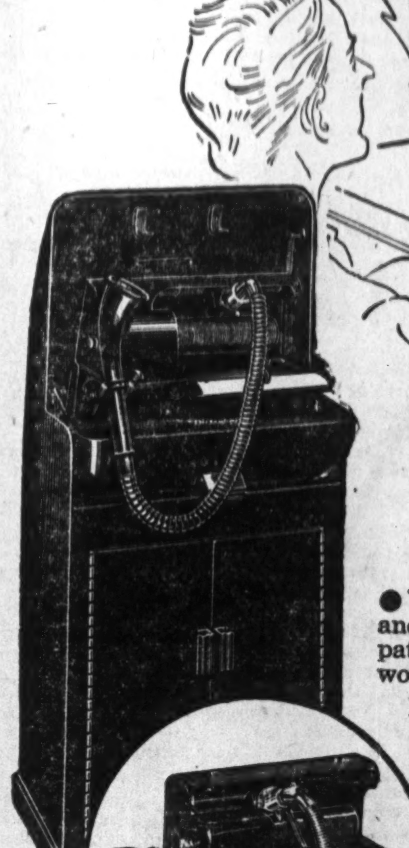
Fire Alarm Systems

● We install in seven cities four Electric Fire Protective Systems which connect with our own Central Stations and the City Fire Department headquarters—
Manual Fire Alarm Systems
Aero Automatic Fire Alarm Systems
Sprinkler Supervisory Systems
Watchman Patrol and Fire Alarm Systems
Our book "Flashing the Alarm" will be sent on request.
DOMINION ELECTRIC PROTECTION COMPANY
BURGLAR, FIRE AND SPRINKLER ALARMS
Central Stations
Toronto Montreal Quebec Ottawa Hamilton London Winnipeg

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, Supreme Chief Ranger.
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

FIRE INSURANCE—
"Expense" or "Investment"?
By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.
BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver

Somehow or other... your secretary gets things done!



HOW MUCH EASIER WITH Dictaphone EQUIPMENT
● YOU DICTATE IN SNATCHES between telephone conversations and interruptions from members of the staff. And through it all your patient secretary sits there, wondering when she will get her other work done.
How much easier for her and for you with Dictaphone in the office. Then you dictate whenever you wish, and in snatches if necessary. Even during noon hour or in the evening, Dictaphone is always at your service.
But meanwhile, your secretary goes about her other duties. And your dictation, accurately typed, reaches your desk promptly. Shorthand is eliminated. Hours of time are saved.
Let us tell you what other executives think of Dictaphone, the money it has saved, the confusion it eliminates. Telephone or write for information about the new Dictaphone with its amazing voice clarity. Ask your secretary to arrange a free trial in your office.
DICTAPHONE SALES CORPORATION LIMITED
86 Richmond Street West, Toronto
SALES AND SERVICE OFFICES FROM COAST TO COAST
DICTAPHONE

Banking

Boom Control Reviewed As Factor in Business

Investment House Sees Continuance of Government Monetary Policies as Important Influence in Business Cycles

Can man learn how to control booms and depressions? Can governments managing credit and money keep the general business chart a smooth, straight line rather than a thing of jagged peaks and valleys? Some believe it possible. In the October letter to investors the economist of A. E. Ames writes: "Monetary management is definitely a new factor to be considered in appraising the business outlook and, because it is new, it has added materially to the difficulties faced by business executives and investors in formulating plans which may later have to be modified materially by unexpected government monetary and fiscal measures."

Business Unprepared

Government control of credit and its management of money has, save for some time and to a limited degree during the Great War, found the world of business little skilled in allowing for it.

Emergence from the recent depression has been, in at least one respect, unique. The traditional way out has been completion of necessary liquidation—revival of private borrowing and expenditures—increasing production and employment.

This time revival of private borrowing has been slow and relatively slight.

Volume of new corporate financing in 1928 and 1929 was $5½ billions and $8 billions respectively. In 1933 the volume had fallen to $180 millions, rising to $1,200 millions in 1936. This year it is likely to be around $1,500 millions.

Government capital expenditures, therefore, which in the United States since 1932 have increased at about $3 billions per year, have, it is argued, taken up the slack, given business a "shot in the arm" and have provided an important impetus to the recovery process.

Government in Picture

U. S. government expenditures were financed, partly by increased taxes, partly by government securities, many of which were taken by the banks. Because the government came into the monetary picture, there resulted the unfamiliar spectacle of sharply-rising government borrowing being accompanied by falling interest rates, the Ames letter points out.

Sharp increase in bank credit and deposits was the result of this easy money, priming the pump policy which, by some, was termed inflation.

From 1933 to 1936 bank deposits in Canada increased some $343 millions or 17%, in the United States $15,703 millions or 41%. Primarily this increase represented increased bank holdings of government securities.

The Royal Bank letter points out that between the end of December, 1936 and Aug. 18, 1937, total deposits in the United States have fallen by over $1,500 millions. These figures indicate that after a period of unprecedented inflation, the situation has suddenly reversed itself and a considerable degree of deflation has taken place represented by a moderate fall in commodity prices, in addition to the contraction of bank figures.

Restrictive Measures

The A. E. Ames Co. Letter states: "In the first three months of this year strongly rising commodity prices and stock prices, a high level of industrial production and an increase in forward buying suggested an incipient boom. It may be a token of dependence upon government monetary policy, however, that restrictive measures soon erased the prospects of a boom. The sterilization of gold imports, the 100% increase in the reserve requirements of the members banks and a decline of over $1 billion in the aggregate bank deposits in the United States in the first three months of this year, point to an importance of monetary policy which has few precedents.

"Looking forward, the events of recent years seem to suggest that monetary policy will continue to be an important instrument with which government will endeavor to stabilize the business cycle by restraining boom conditions and modifying recessions.

"While such action is still in the experimental stage, there is good evidence that the influence of monetary action is receiving serious consideration in administrative circles. Already in the past month there has been a relaxation of credit restrictions in the United States. Principally to avoid a seasonal credit stringency, discount rates at Federal Reserve banks have been reduced, the eligibility of collateral for advances has been widened, $300 millions of inactive gold is being added to the credit base and authority to add to member bank reserves by open market purchases of securities has been increased."

Weekly Bank Clearings

	Oct. 7 1937 $	Change yr. ago %	Sept. 30 1937 $
Halifax	3,204,131	+14.2	2,319,362
Saint John	2,235,205	+12.9	1,801,791
Moncton	1,064,499	+35.3	800,709
Sherbrooke	1,020,133	+34.1	739,072
Quebec	5,900,697	—12.4	4,876,509
Montreal	139,355,852	—0.7	114,786,670
Ottawa	27,808,068	—6.1	15,502,943
Kingston	376,248	—43.0	620,435
Toronto	129,354,406	—5.2	107,672,762
Hamilton	6,706,032	+19.3	5,920,772
Kitchener	1,263,309	+0.9	983,285
Brantford	1,288,492	+12.3	840,713
London	3,766,238	+20.4	3,042,135
Chatham	966,839	+79.9	541,173
Windsor	3,008,002	+10.9	2,573,502
Sarnia	599,007	+19.4	374,339
Sudbury	1,127,839	+30.5	1,183,510
Fort William	958,185	+11.2	783,887
Winnipeg	63,260,047	—29.3	56,929,121
Brandon	544,903	+19.8	435,223
Regina	5,189,947	—37.5	4,028,987
Moose Jaw	726,763	—22.2	469,304
Saskatoon	1,780,122	—20.4	1,353,016
Prince Albert	490,908	—1.1	442,173
Edmonton	5,241,708	+20.9	4,113,377
Calgary	7,695,502	+3.8	7,058,520
Medicine Hat	425,457	+35.7	385,356
Lethbridge	723,148	+37.6	708,367
N. W'minster	855,311	+15.1	784,994
Vancouver	19,997,249	—10.7	17,980,090
Victoria	2,278,277	—2.3	1,550,204

Monthly Bank Clearings

	Sept. 1936	Sept. 1937
Halifax	$ 10,382,145	$ 10,539,989
Saint John	8,214,722	7,927,258
Moncton	3,153,648	3,449,023
Sherbrooke	2,641,236	3,203,225
Quebec	16,413,775	22,723,311
Montreal	445,737,018	469,340,692
Ottawa	82,182,844	79,547,301
Kingston	2,547,685	2,559,513
Peterborough	2,854,435	2,596,701
Toronto	555,804,568	477,875,191
Hamilton	18,340,476	25,303,543
Kitchener	4,943,321	5,012,692
Brantford	3,749,090	3,783,444
London	11,673,576	11,992,129
Chatham	1,904,555	2,376,161
Windsor	10,706,083	11,573,502
Sarnia	1,777,059	2,052,181
Sudbury	3,985,465	4,498,424
Fort William	3,345,531	3,346,086
Winnipeg	322,727,418	217,720,582
Brandon	1,811,426	1,724,873
Regina	35,926,114	19,013,601
Moose Jaw	3,706,761	504,943
Saskatoon	8,911,660	6,156,990
Prince Albert	1,771,026	1,952,422
Edmonton	17,011,880	17,482,689
Calgary	30,701,028	26,296,158
Medicine Hat	1,188,423	1,317,097
Lethbridge	2,313,377	2,815,081
New Westminster	3,015,617	3,104,541
Vancouver	84,179,762	78,145,156
Victoria	7,273,403	7,396,777

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Oct. 4 1937	Oct. 5 1937	Oct. 6 1937	Oct. 7 1937	Oct. 8 1937	Oct. 8 1936
U. S. dollar, High	1.00	1.00	1.00	1.00	1.00 1/32	......
Low	1.00	1.00	1.00	.99 15/16	1.00 1/32	......
1936 High	.99 31/32	.99 31/32	1.00	1.00	.99 31/32	......
Low	.99⅞	.99⅞	.99 31/32	.99 15/16	.99⅞	......
U. K. pound	4.95⅜	4.95¼	4.95 1/16	4.95 1/16	4.95¼	4.89½
Australia	3.96⅝	3.96½	3.96¾	3.96¾	3.96½	3.90¾
Austria	.1888	.1888	.1888	.1888	.1887½	.1885½
Belgium	.1685	.1685½	.1685½	.1685½	.1685¼	.1682½
Brazil	.0625	.0625	.0620	.0615	.0615	.0598½
Czechoslovakia	.0350¼	.0350¼	.0350¼	.0350¼	.0350	.0378½
Denmark	.2213	.2211	.2212½	.2212	.2211¼	.2185
France	.0330	.0329¼	.0329⅜	.0329⅝	.0328⅞	.0466¾
Germany	.4015	.4017½	.4017½	.4017½	.4015¾	.4010¼
Greece	.0091	.0091	.0091	.0091	.0091	.0090
Holland	.5529	.5530	.5530	.5529	.5527¼	.5327
Hungary	.1977	.1977	.1977	.1977	.1977	.1978
India	.3746	.3744	.3746	.3745	.3743⅞	.3727½
Italy	.0526¼	.0526¼	.0526¼	.0526¼	.0526	.0526¼
Japan	.2890	.2888	.2888	.2888	.2887	.2867
Jugoslavia	.0233	.0233	.0233	.0233	.0233	.0230
New Zealand	3.99⅞	3.99¾	4.00	4.00	3.99¾	3.94
Norway	.2490	.2489	.2490	.2490	.2489¼	.2460
Poland	.1892	.1892	.1892	.1892	....	.1889
South Africa	4.94½	4.94½	4.94½	4.94½	4.94⅜	4.87
Sweden	.2555	.2554	.2555	.2555	.2554¼	.2524
Switzerland	.2298½	.2302	.2302¼	.2300	.2298¾	.2302
Hong Kong	.3102	.3101	.3100	.3101	.3102	.3082½

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

JOHN ROSS to be manager at Brantford, Ont.

JOHN KENNEDY to be manager at North End Saint John, N.B.

J E. LANGILLE to be manager at Tatamagouche, N.S.

The Canadian Bank of Commerce announces the following staff changes:

W. LENNIE, formerly manager at King and Wellington, Hamiton, to be manager at Regina Sask.

H. B. ADAMS, manager at Regina, Sask., has been appointed manager at Yonge and Queen, Toronto, succeeding Mr. B. O. Hooper, who has been granted leave of absence prior to his retirement on pension.

The Royal Bank of Canada announces the following staff changes:

T. M WILLET is appointed manager at Langruth, Man.

W. HEBENTON, formerly manager at Quesnel, goes to Penticton, B.C., as manager.

C. W. CONWAY, formerly first asst. accountant, Montreal, Tramways Terminal, P.Q., goes to Pembroke, Ont., as accountant.

J. L. KINSELLA, formerly accountant, Montreal, St. Denis & St. Catherine, to Mt Royal & St. Lawrence branch as accountant.

You pay no more for this FINER cigarette
"EXPORT"
EXPORT "A" with FILTER TIP

Harvest Service Of Banks Outlined

Answer Tyranny Charges in Fourth Alberta Broadcast

Out of Alberta's 257,828 gainfully occupied citizens over 20 years of age, some 240,000 of them have savings deposits in chartered banks, Vernon Knowles, public relations man for the Canadian Bankers' Association declared in his fourth radio broadcast to the Social Credit province.

Mr. Knowles explained the harvest-time service to farmers through the grain ticket system.

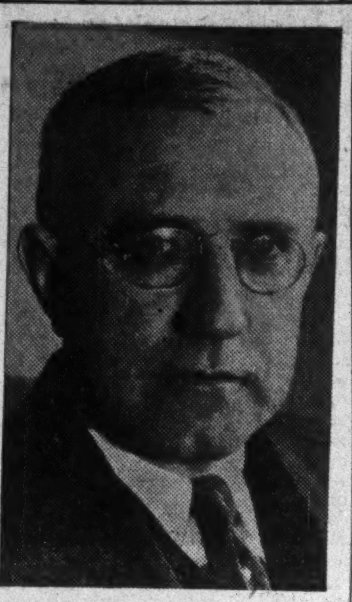
The grain ticket, given by the elevator, is cashed at the bank. At the end of the day the bank lists separately all tickets issued by each elevator company and sends them to Calgary or Winnipeg for collection. During the movement of a heavy crop, such a company is not likely to have sufficient funds of its own to purchase all grain handled from day to day. The bank, however, advances the sum required against the security of the grain, until the buyer in Liverpool pays for it.

Small Shareholders

"There are more than 49,000 shareholders in Canada's chartered banks," Mr. Knowles continued, "more than 500 of them in Alberta. Most of the shareholders are small—the average is less than 30 shares. Many of the shareholders are women. Many others are individuals who, after a life-time of toil, have sold their farms or other holdings and invested their money in bank shares as a source of income.

"These are the people who are accused of being a part of the fabled "International Ring." They are mostly Canadians, your fellow-citizens, and most of the business that is done by their banks is Canadian business."

"About 40% of Canada's people have savings deposits. Applying the same percentage to the population of Alberta it would appear that roughly 240,000 Albertans are savings depositors. A bank deposit is a loan to the bank. It is a debt owing by the bank. If there is a tyranny in lending are the banks tyrannized by the depositors? When a friend borrows from another is the lender a tyrant."



GETS U. S. POST

H. A. Carson, native of Toronto and formerly with the freight traffic department of the Canadian National Railways at Toronto, London, Montreal and Ottawa, who has been appointed general manager of the Central Vermont Railways. Mr. Carson has been general freight agent of the Canadian National-Grand Trunk-Central Vermont Railways in the New England territories since 1930.

Banks in Alberta

Canada's chartered banks vary in strength in Alberta. The Royal Bank has 53 offices in Alberta, the Bank of Montreal 50, and the Canadian Bank of Commerce 49. The Imperial Bank has 21 branches, the Bank of Nova Scotia and Bank of Toronto nine each, the Banque Canadienne Nationale five, and the Dominion Bank three.

Bank of Canada Weekly Statement

Dominion Government short-term bonds this week increased some $6 millions in the holdings of the Bank of Canada, according to the weekly statement. Reserve in sterling and U. S. currency was also up $1.7 millions. Increased liabilities include $6 millions gain in Dominion deposits, $2 millions gain in bank deposits and another $2 millions gain in note issue.

Balance Sheet

	Oct. 6 1937 $	Sept. 29 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	163,045,078	161,333,321
Rest fund	743,716	743,716
Depos. Dominion	32,301,658	26,307,947
Banks	181,655,987	179,985,619
Other	676,050	675,718
Total deposits	214,633,695	206,969,284
All other liabs.	2,593,283	2,258,244
Total liabs.	391,115,771	381,404,564
Assets		
Reserve: Gold	179,532,697	179,473,814
Silver bullion	2,638,853	2,573,435
Res. in sterling and U. S.	27,780,895	26,068,106
Other curr.	799	804
Total reserve	209,953,244	208,116,159
Subsidiary coin	114,706	103,520
Investments:		
Dom. govt. short	69,113,095	63,253,236
Other Dom. govt.	96,063,793	96,116,636
Other secs.	10,993,193	10,994,693
Total invest.	176,170,081	170,364,565
Premises	817,572	781,512
All other assets	4,060,168	2,038,808
Total assets	391,115,771	381,404,564
Reserve ratio	55.59%	56.50%

U. S. Bank Spends $500,000 On Goodwill Advertising

The fact that the Bank of America of California has an appropriation of $500,000 for advertising annually is seen by The American Banker, New York, as evidence of the faith which this bank's management has in the power of publicity to build banking business.

The Banker states:

It is a little sad to see many banks economizing on their advertising, purchasing as little space and printed material as they can, and employing as little advertising talent and ideas as possible. They may be saving some thousands of dollars. But they are neglecting an avenue of public sympathy and understanding which banks individually and collectively should aim to cultivate.

Yet large as a $500,000 appropriation may seem, it is only 25 cents per customer for the bank's 2,000,000 customers, 12½ cents per share for the bank's 4,000,000 shares of stock outstanding, and 1/25 of a cent per dollar of its deposits of over $1,250,000,000. Thus does volume of business shrink the proportions of an advertising appropriation.

A. P. Giannini, who heads the Bank of America as chairman of the board of directors and chairman of the general executive committee of the bank, is, of course, the master strategist of the Bank of America's promotional work, and he backs to the limit the use of advertising as the bank's first line of contact with the public. In the current issue of the Financial Advertisers Association Monthly Bulletin the leading article is Mr. Giannini's declaration of faith in advertising, particularly newspaper advertising. He writes:

"I notice that more and more banks throughout the country are using advertising space. It is a good thing and it helps to humanize the business. Banking is not a secret enterprise. It is a business and at the same time a public function. The public has a right to know everything about it and the more the public knows the more support the banks will get.

"The results that we have obtained speak for themselves. We have built up an institution founded on the confidence of the public."

Cleaner and Crisper Impressions, Too . . .

With a big duplicating job on hand, there's nothing like Multiscrip Mimeograph to ensure speed and uniformly clean cut results. The smooth, hard surface gives a crisp, clear impression. Good absorbency reduces offsetting to a minimum. There is no fluff to clog up your stencils—an important advantage on long runs. Multiscrip Mimeograph is available in white, canary, pink, blue and green in standard weights. Also heavy weight white.

Write for folder of Samples.

Multiscrip MADE IN CANADA MIMEOGRAPH

An improved watermarked duplicating paper. Obtainable from Eddy branches and distributors throughout Canada.

THE E. B. EDDY COMPANY LIMITED—HULL—CANADA

T. G. Bright Co. Has Record Year

Net Available for Common Equal to $1.09 a Share

T. G. Bright & Co., Canadian wine manufacturer, reports the highest net profits in its history for the year ended July 31, 1937, equivalent to $20 a share on the 7,811 preferred and $1.09 on common. This compares with $8.77 a share on preferred in 1936, and 21 cents on common. Full preference dividends of $6 a share were paid in each year and common dividends of 30 cents a share.

Higher earnings are attributed by H. C. Hatch, president, in part to improved business conditions in Canada and also to plant improvements made during the past four years during which period $500,000 has been spent for new equipment and developments. Property additions made during the past year totalled $37,000, of which $30,000 was for development of vineyards and the balance for office equipment.

Two retail branches were purchased during the year and the president states that operations in the company's retail stores have been generally satisfactory.

The company's annual meeting is being held at the head office on Oct. 18.

Consol. Income and Surplus Account Years Ended July 31

	1937 $	1936 $
Net oper. profit	239,223	128,297
Less: Depreciation	41,839	34,970
Income tax	41,000	24,754
Net profit	156,384	68,573
Less: Pref. divds.	46,902	47,127
Common divds.	30,000	30,000
Surplus for year	79,482	*8,554
Add: Prev. surplus	131,759	140,313
Surplus forward	211,241	131,759

*Deficit.

Working Capital

	1937 $	1936 $
Current assets	1,047,363	981,937
Current liabilities	370,578	353,571
Working capital	676,785	628,366

Bank Chat

Australia's Report

The recently published report of the Royal Commission on Australian banking was a model document in many respects. One of its noteworthy features was one of the most readable explanations of social credit that has yet appeared, and a relatively simple, but logical, refutation of its major concept. Some of its recommendations, however, have evoked the ire of Australian bankers, and several have been outspoken in their criticism.

The Bank of New South Wales, for instance, pointed out that "None of the commissioners has had actual experience of banking, and their recommendations appear to be attempts to compromise between the various proposals that were laid before them by the different groups of expert witnesses. Deprived of technical advice at that stage of their deliberations where they had to evaluate these various proposals, the commissioners seem to have overlooked the fact that in choosing the middle way they were running into the serious danger of making the worst instead of the best of both worlds. They do not seem to be aware that while they expressly repudiate nationalization of the banking system, the character of their recommendations is such as to expose the whole banking system of Australia to political interference of a most dangerous type. In practice, the commissioners recommend what they expressly repudiate.

• • •

Government Control

More specifically, complaints centre largely about the recommendation that in certain aspects, the Commonwealth Bank, the central bank of Australia, act "with the consent of the treasurer"—a gentleman who would correspond to the minister of finance in Canada.

For instance, in the event of a dispute between the treasurer and the central bank, the former would have the right, without reference to Parliament or even the Cabinet, to authorize an increase in note circulation.

Between this condition and actual nationalization there appears to be little difference.

Grants Sought For Vancouver

City Submits Brief to Province Asking Share of Tax Revenues

In a brief submitted to the Government of British Columbia, the "Better Terms Committee" of the City of Vancouver not only requests that the Provincial Government should pay to the city a share of amusement, gasoline taxes, liquor revenues and license fees collected in the city, but that the province should make larger grants for such services as education and hospitalization.

In pointing out the financial difficulties which face the city, the brief states that "it is not necessary to go far to seek the predominant cause of this unfortunate state of affairs. In its years of difficulties, the Provincial Government unloaded many of its obligations on the City of Vancouver in common with other municipalities." The brief adds that "the time is overdue when the Government should resume the obligations that are properly its own.

Affects Entire Province

"The unsatisfactory financial position of the city of Vancouver does not only affect the city itself. It affects the whole province. The reaction on the credit and finance of the province would be disastrous if its largest city containing approximately two-fifths of its total population and more than one-half of its taxable wealth were compelled to default.

"We submit that it is only by placing the relationship of the province and the city upon a fairer and more just basis that any permanent solution of these difficulties can be attained."

The brief points out that the power of the city to raise revenue is practically confined to real estate, while the province has a much broader tax base.

Lost $700,000 In Grants

Since 1931, according to the Better Terms Committee, Vancouver has been deprived of about $700,000 annual revenue through the action of the Provincial Government in withdrawing grants. It is also pointed out that the cost of social services imposed on the city in 1932 and not withdrawn until April 1 last, amounted to $1.6 million.

In claiming that Vancouver is not receiving a fair or adequate support for education from provincial revenues, reference is made to the fact that grants per pupil in 1931-32 was $21.22 as against $10.23 in 1935-36, and the grant per teacher $667 in 1931-32 as against $331 in 1935-36.

Dunrobin Ltd. Meeting Called

Deficit Shown for Operations to Date — Change in Control Made

A meeting of shareholders of Dunrobin, Ltd., is being held in Toronto on Oct. 21, 1937, at which time it is expected that a new slate of officers and directors will be elected. This will give effect to changes in control and the introduction of United States interests.

No financial statements will be available until after the meeting on Oct. 21 but a summary which has been issued shows that the company had a loss of $13,799 for the eight months ended Aug. 31, 1937. Actual deficit was $10,211, after allowing for a loss of $303 to the end of December and the donation of $3,891 by directors. Sales during 1936 were $29,349 and for the eight months ending Aug. 31, 1937, $11,600

Manufacture of spirits commenced in the company's plant at Grimsby, Ont., in 1933, but no sales were made until 1936.

Current assets are stated to be $139,806, of which $129,354 was inventories and $10,184 accounts receivable. Current liabilities were $9,748. Of the $30,000 preference shares of $10 par and 566,932 common shares which have been authorized, 595 preference shares and 204,803 common shares are outstanding. Buildings, plant and equipment are valued at $104,132, after depreciation.

City Passes on Plans Of Ottawa Electric Rail

From Our Own Correspondent

MONTREAL. — Ottawa Electric Railway Co. has been notified by the civic board of control to lay new tracks on Sunnyside, Seneca and Grove Avenues.

The city council went on record against the company's application for a level crossing over the C. N. R. tracks on Bronson Ave. and to oppose the proposal to move the tracks from Bell Street to Bronson Ave.

FOUNDED 1855
A Safe REMUNERATIVE INVESTMENT

Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:
for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%
A legal investment for trust funds.

CANADA PERMANENT Mortgage Corporation
HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $68,000,000

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Important People—We Canadians!

The once much-publicized Canadian "inferiority complex" has disappeared. In its place—an ever-expanding Canadian ego. It's a fact! But how did it happen?

Maybe because of our greater participation in Empire affairs and our recently-acquired national autonomy—or maybe the steady development of our basic natural resources.

Perhaps because we glory in greater personal freedom than exists in Russia, Germany, Italy or Spain.

Our opposition to the C. I. O., proof of Canada's respect for law and order, may have had something to do with it.

Or possibly the feature articles in Maclean's have aroused national consciousness.

Whatever it is, Canadians today consider themselves important people. Maclean's appeals to those Canadians who feel important enough to want to be well-informed.

And this is a basic emotional appeal quite as alluring to healthy-minded people as the appeal of crime and sex is to the moronic.

Consider the evidence of Maclean's appeal to Canadians. Facts reveal a market of exceptional sales possibilities—greater, we submit, than can be reached through any other individual medium in Canada.

481 University Avenue
TORONTO

DOMINION SQUARE BUILDING MONTREAL — NEW YORK - CHICAGO LONDON, ENG.

Maclean's Canada's National Magazine

Week in Mining

Subtle Change in Mood Toward Gold is Seen

Developments of Last Few Weeks Appear to Have Eased Congestion in United States — Hoarding Resumes

Although its effect on the gold share market is, at time of writing, infinitesimal, a noteworthy change in psychology can be felt among those who form the underlying current of market sentiment. The general attitude toward gold and gold stocks, while far from optimistic, appears to be at least less pessimistic today than a few weeks ago.

Several developments may be behind this change in attitude. Most important of these are governmental, and in this era of managed currency governmental action or developments can be of great importance.

Great Britain and United States have both recently enlarged their exchange stabilization funds. United States has released part ($300 millions) of her hoard of "sterilized gold," to that extent relieving her congested gold position. Authoritative reports from Europe indicate that gold hoarding, which not so many months ago had been replaced by general de-hoarding, is once more under way. Finally, French currency has again been depreciated, a development which is held to make less likely deflation throughout the rest of the world.

Perhaps of minor significance in themselves, nevertheless these are the sort of things that make and break markets. Coming as they do against a general background of declining business and industrial activity, and a more or less wide-spread "depression psychology" they are giving rise to rumors that the United States administration may resort to further inflationary measures, such as that already referred to in connection with the release of $300 millions in gold into the credit system of the country.

It is inevitable that some should immediately seize on these developments to forecast a still higher dollar price for gold. Such enthusiasts have not yet advanced a tangible argument for their belief, and there is sufficient encouragement for the gold share investor in the present situation without leaning too heavily on such chimerical hopes as $50 or $100 per ounce gold.

In the meantime, the fact appears to be that, as always happens in times of lagging business and commerce, gold stocks are appearing in a more favorable light than they were a few months ago.

Good News for Oils

Stronger tone in Alberta oils is being attributed partly to the result of the by-election in that province, which resulted in a strong majority for the Liberal candidate. This decisive vote is being interpreted as an indication of how the Aberhart Government will fare when a general provincial election is called. While this view may be discounting the potency of the rural vote, it serves to indicate what a serious handicap to development of western oils the present Alberta Government is and has been. If one by-election like this can affect the financial attitude to oil development, it is obvious that capital is still shy of Mr. Aberhart and his followers.

This distrust can be particularly harmful at a time like this, when the oil industry is seeking the cooperation of the rest of the Dominion in marketing its newly-found oil. A Government which was on good terms with the Dominion Government, and respected by the Canadian public at large, would be of inestimable help to the oil industry just now.

* * *

Cariboo's Second Life

The romantic Cariboo area of British Columbia, scene of the big placer gold-rush in the 60's, has, as Post readers are aware, embarked on a new era of prosperity, this time as a growingly important lode-mining camp.

Latest evidence of this fact is the announcement that a 50-ton test mill is to be installed on the property of Cariboo-Hudson Gold Mines, sponsored by the same three men to whose credit the revival of the camp must go. Messrs. Fred Wells, Dr. W. D. Burnett, and O. H. Solibakke, whose faith in the lode possibilities of the Cariboo field have been amply justified in the dividend-paying Cariboo Gold Quartz Mine, are also responsible for the Cariboo-Hudson Development, on which, The Financial Post is reliably informed, there is already about $1 million's worth of ore in sight.

* * *

Index to Mining Stocks

Canadian mining issues led by golds continued upward on Oct. 1 to the crest of an advance beginning Sept. 25. A reaction then set in and losses increased daily till October 5. Subsequently both gold and base metal issues rallied and closed the week above Monday's levels, as reflected in the index of the Dominion Bureau of Statistics. The volume of trading contracted sharply from the preceding week. Base metals moved against the upward trend on Oct. 1, but gained 2 points on the following day when golds were lower. The base metal index showed a net loss of 1.7 for the week, closing at 214.1. The daily price index for 24 mines advanced fractionally from 130.4 on Sept. 30 to 130.9 on Oct. 7, while golds moved up from 109.6 to 110.7.

Anglo-Huronian

That Anglo-Huronian is today in a much stronger position than it was a year ago is evident from the annual report, published last week.

Not only has the company's working capital been increased by nearly $1.4 million, but the properties in which the company has an interest appear stronger. The Vipond operation, which had long been considered more or less of a salvage operation, has given evidences of revival, and the new arrangements for working that property have given it a new lease of life. The company's interest in Kerr-Addison looks like a profitable venture. Finally, investments show a notable advance in market value.

* * *

The Teck-Hughes Picture

Nothing of any new significance is contained in the interim report of Teck-Hughes Gold Mines, covering operations in the 12 months ended Aug. 31, last. The report, as was expected, shows gentle declines in earnings per share, in grade, and in ore reserves. While the ore reserves given include only ore actually blocked out or broken down, there appears to be little hope of locating any new finds on the 50th level. The report also shows that both grade and width decrease lower levels immediately above the 50th.

The estimate of ore reserves, showing 640,443 tons, indicates sufficient ore ahead of the mill for less than two years, at the present milling rate. This is, of course, exclusive of tailings tonnages.

On the other side of the picture, of course, is the company's subsidiary operation, Lamaque Gold Mines. With this company, in which Teck-Hughes owns a 70.8% interest, earning at an annual rate of over 12 cents per share, it is apparent that it should be in a position to bolster Teck-Hughes' income. Lamaque cannot declare a dividend until all outstanding bonds and interest have been paid back to Teck. This obligation, it is expected, will be considerably reduced by the end of this year, and will possibly be wiped out altogether in 1938, leaving this Quebec subsidiary free to lend a helping hand to its Kirkland Lake parent.

Mining Company Charters

Fountain Falls Mining Syndicate—Ont. incorp., Aug. 20, 1937. H. O. Haileybury. Author. cap., 35,000 shares, $1 par.

Kinika Gold Mines—Ont. incorp., Aug. 20, 1937. H. O. Toronto. Author. cap., 3,000,000 shares, $1 par.

Majestic Mines Ltd. — B. C. incorp., Aug. 25, 1937. H. O. 612 Vancouver Block, Vancouver, B.C. Author. cap., 2,000,000 shares, 50 cents par.

Mangan Porcupine Gold Mines—Ont. incorp., Aug. 25, 1937. H. O. Toronto. Author. cap., 100,000 shares, $1 par.

New Crystal-Comstock Gold Mines — Ont. incorp., Aug. 17, 1937. H. O. Toronto. Author. cap., 3,000,000 shares, $1 par.

Sac D'Or Mining & Exploration—Ont. incorp., Aug. 20, 1937. H. O. Toronto. Author. cap., 5,000 shares, $10 par.

Spider Gold & Silver Mines—B. C. incorp., Aug. 27, 1937. H. O., K. W. C. Block, Nelson, B.C. Author. cap., 500,000 shares, 50 cents par.

Cathay Gold Mining Syndicate—Ont. incorp. Sept. 1, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Cysm Gold Mining Syndicate—Ont. incorp. Sept. 7, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Rem-Larder Mining Syndicate—Ont. incorp. Sept. 2, 1937. H. O. Haileybury, Ont. Auth. cap. 35,000 shares, $1 par.

Sagenak Mining Syndicate—Ont. incorp. Sept. 3, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Spud Valley Gold Mines—B. C. incorp. Sept. 10, 1937. H. O., Vancouver, B.C. Auth. cap. 1,000,000 shares, $1 par.

Sybarite Porcupine Mining Syndicate — Ont. incorp. Sept. 2, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Campagnie Belgo-Quebecoise de Prospection Miniere—Que. incorp., Aug. 16, 1937. H. O. Montreal. Auth. cap., 1,000 shares, $100 par.

Elsie Boston Lake Mines—Ont. incorp., Aug. 25, 1937. H. O. Boston Creek, Ont. Auth. cap., 1,000,000 shares, $1 par.

Magie Mining Syndicate—Ont. incorp., August 30, 1937. H. O. Port Arthur. Auth. cap., 35,000 shares, $1 par.

Maniwaki Mines Ltd. — Que. incorp., Aug. 20, 1937. H. O. Vauquelin twp., Abitibi dist., P.Q. Auth. cap., 3,500,000 shares, $1 par.

Pelletier Lake Gold Mines (Quebec)—Que. incorp., Aug. 21, 1937. H. O. Montreal. Auth. cap., 4,000 shares, n.p.v. Company formed to acquire assets Pelletier Lake Gold Mines Ltd.

Ventures (Quebec) Claims — Que. incorp., Aug. 21, 1937. H. O. Montreal. Auth. cap., 4,000 shares, n.p.v. Company formed to acquire assets of Ventures Claims Ltd.

Zeballos Gold Peak Mines—B. C. incorp., Sept. 7, 1937. H. O. Bank of Commerce Chambers, 540 Columbia St., New Westminster, B.C. Auth. cap., 1,500,000 shares, $1 par.

Anglo-American Gypsum Mining Syndicate—Ont. incorp. Sept. 18, 1937. H. O., Hamilton, Ont. Auth. cap. 35,000 shares, $1 par.

Beckflo Gold Mines—Que. incorp. Sept. 8, 1937. H. O., Montreal. Auth. cap. 40,000 shares, $1 par.

Coag Mining Syndicate — Ont. incorp. Sept. 18, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Consolidated Nicola Goldfields—B. C. incorp. Sept. 28, 1937. H. O., Vancouver, B.C. Auth. cap. 6,000,000 shares, $1 par.

Coughlan Venture Ltd. — B. C. incorp. Sept. 25, 1937. H. O., Vancouver, B.C. Auth. cap. 100,000 shares, $1 par.

Gard Gold Mines—Que. incorp. Sept. 15, 1937. H. O., Rouyn, Que. Auth. cap. 20,000 shares, $1 par.

Kickapoo Mining Syndicate—Ont. incorp. Sept. 14, 1937. H. O., Sault Ste. Marie, Ont. Auth. cap. 35,000 shares, $1 par.

Lamont Mines—Que. incorp. Sept. 9, 1937. H. O., Rouyn, Que. Auth. cap. 20,000 shares, $1 par.

Minerals Consolidated—B. C. incorp. Sept. 2, 1937. H. O., Vancouver, B. C. Auth. cap. 5,000,000 shares, $1 par.

Ottmann Gold Mines—Que. incorp. Sept. 4, 1937. H. O., Rouyn, Que. Auth. cap. 20,000 shares, $1 par.

Philips Exploration & Mining Syndicate—Ont. incorp. Sept. 21, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Quebec Barlow Gold Mines—Que. incorp. Aug. 30, 1937. H. O., Montreal. Auth. cap. 3,000,000 shares, $1 par.

St. Lawrence Metals Co.—Que. incorp. Aug. 6, 1937. H. O., Montreal. Auth. cap. 20,000 shares, $1 par.

SURRENDER OF CHARTER

Donegal Mining Co.—As at Sept. 25, 1937, gives notice that it will apply to the Lieutenant-Governor of Ontario for acceptance of the surrender of its charter.

Sagamore Mines Ltd.—Has surrendered its Ontario charter and will be dissolved as and from Sept. 15, 1937.

New Lake Mines—By resolution passed Sept. 28, 1937, wound up voluntarily, John Drybrough, of Winnipeg, being appointed liquidator for the purpose of such winding up.

War's Demand Only Fraction Of Metal Boom

Blaylock Sees Natural Recovery Behind Much of Present Activity

DRILL ANYOX

From Our Own Correspondent

VANCOUVER.—S. G. Blaylock, vice-president and general manager, Consolidated Mining & Smelting Co., believes the outlook for lead, zinc and copper will be good for some time.

"Too many people regard the boom in metals as directly traceable to the rearmament programmes, the war in Spain and China," said Mr. Blaylock. "They are too inclined to overlook the rapidly growing demand for metals in peace-time industry—the natural consequence of recovery and the expansion of all forms of construction. War conditions have been responsible for only a fraction of our activity at Trail, and we regard war demand as a purely temporary phase. Demand is continuing ahead of production, and that is due to a gradual quickening of the industrial pulse and not to war's emergency."

Drilling at Anyox

Mr. Blaylock says he has no knowledge of resumption of operations at Anyox, the property taken over from Granby Consolidated by Smelters last year, but considerable diamond drilling is being done there.

The company's subsidiary, Big Missouri, will probably have its underground mill ready for operation in about a month.

A large volume of equipment, Mr. Blaylock reported, had already been carried to the Yellowknife area where a mill is planned. While the original unit would be small compared with the 1,500-ton concentrator which Smelters are building at their Box property in northern Saskatchewan, Mr. Blaylock believes that the Yellowknife may become important.

"The best indication of metal mining recovery is probably to be found in the town of Trail, where building permits for residential construction will pass $1 million this year," said Mr. Blaylock.

Siscoe Gold Output Running Ahead of 1936

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines in its monthly report to the Montreal Curb Market showed September production at $220,817. This compares with $220,472 in August and $210,316 in September, 1936.

Mill heads last month averaged $13.02 a ton, as against $12.83 in the previous month and $13 in September last year.

Tonnage handled in September totalled 17,390 tons, which compares with 17,724 tons in August and 16,678 tons in September, 1936.

Parkhill Change Year-end

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines (1937) Ltd. has notified the Montreal Curb Market that the board of directors have determined that the company's fiscal year end shall be Dec. 31 in each year.

Mining Options

Normetal Mining Corp.—Announces that additional 75,000 shares taken up at 75 cents under agreement dated Feb. 3, 1937. Balance of underwriting covers 178,894 shares at 75 cents per share, to be paid for as funds are required. Issued capital stands at 3,576,118 out of an authorized 4,000,000 shares.

Gillies Lake-Porcupine — Oct. 1 installment covering 50,000 shares at 40 cents per share under underwriting and option agreement dated Aug. 19, 1937, has been extended 30 days. Total issued capital is 2,099,900 out of authorized 2,750,000 shares.

International Mining Corp.—Has bought 22,900 shares of capital stock in open market. Issued capital is 561,573 shares, of which 538,473 are outstanding and 22,900 shares held by company.

Calmont Oils—Reports that option agreement dated May 1, 1937, has been terminated since Oct. 1 installment covering 70,000 shares at $1 per share has not been received. Issued capital is 2,137,198 shares out of authorized 3,000,000 shares.

Alexandria Gold Mines—Total of 40,000 shares sold during 1936 at prices ranging from 5¼ to 6 cents per share, bringing the issued capital as of today's date to 4,908,288 shares.

Minto Gold Mines—Further 200,000 shares sold Sept. 18, at 10 cents per share subject to a commission of one cent per share. Issued capital now 2,900,000 shares.

Morris Kirkland Gold Mines—No shares having been taken up under option agreement dated Aug. 31, 1937, agreement which covered 400,000 shares at 24¼ cents per share terminated.

Paulore Gold Mines—An extension of two months in connection with each payment under agreement dated Nov. 2, 1936, as amended, has been granted. Option covers 338,924 shares in seven blocks at 35 cents, 40 cents, 45 cents, 50 cents, 55 cents and 60 cents per share, first installment being due Nov. 15.

St. Anthony Gold Mines—By agreement dated Sept. 15, 1937, 10,000 shares underwritten at 35 cents, payable within 30 days after the expiration of subscription rights which will be offered to shareholders, and an option was given on 1,000,000 shares at 35 cents exercisable as to 30,000 shares within 30 days from completion of underwriting, and then in blocks of 30,000 shares each 30 days, number of shares covered by agreement to be reduced by the number of shares taken up by shareholders under the subscription rights.

Red Crest Gold Mines—Additional 12,500 shares taken up at 35 cents per share under agreement dated March 20, 1936. Balance of option comprises 270,500 shares at 35 cents per share and 500,000 shares at 60 cents. Total issued capital 2,229,500 shares.

Normetal Mining Corp.—An additional 48,000 shares have been taken up at 75 cents under agreement dated Feb. 3, 1937. Balance of agreement comprises 253,894 shares at 75 cents. Total issued capital is now 3,501,118 shares.

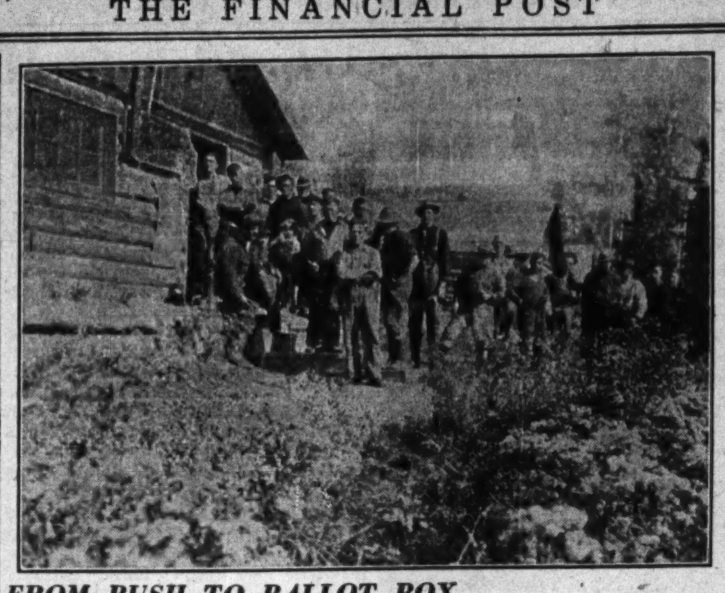
East Crest Oil — Advises The Toronto Stock Exchange that it has not received payment of the Sept. 30 installment covering 100,000 shares at 12½ cents per share, and that the agreement has been terminated for default. Agreement covered option on 1,350,000 shares at prices ranging from 12½ cents to 40 cents per share. Total issued capital is 1,147,787 shares.

Powell Rouyn Gold Mines—Sept. 10 installment, 16,000 shares at $1.25 under agreement dated July 22 has been received. Balance of option comprising 16,000 at $1.25 due Sept. 25 and 20,000 at $1.25 due Oct. 15 cancelled by mutual consent and new agreement entered into dated Sept. 10, providing for underwriting at 16,000 shares at $1.25 payable Oct. 15 and option on 20,000 at $1.25 exercisable by Nov. 15. Total issued capital now 1,197,764 shares.

Red Crest Gold Mines—Additional 35,000 shares taken up at 45 cents a share under agreement dated Mar., 1936. Balance of agreement comprises option on 283,000 at 35 cents and 500,000 shares at 50 cents. Total issued capital is $2,217,000.

* * *

Francoeur Gold Mines—Additional sum of $49,000 paid on account of subscription of $125,000 for 250,000 shares of the company's treasury stock. To date, $89,000 has been received by the company and the balance of subscriptions amounting to $36,000 is payable on demand. Total interest capital is 2,911,333 shares.



FROM BUSH TO BALLOT BOX

One reason why the mining industry was so much to the forefront in the recent Ontario election campaign was the fact that a growing number of that province's electors are dependent, directly or indirectly, on the north for a livelihood. The above photo shows a new polling booth established at Shenango Gold Mines, some five miles from Oba on the Algoma Central. At the time of previous election, this section of Ontario was merely wild bush, whereas today it is part of a thriving mining area.

News Concentrates

Capps Gold—Is advised by T. H. Stinson, vice-president, that construction of the mill at its South Carolina property is nearly complete. Unit should be in operation by the end of October. Mr. Stinson, reporting on the results of work during the summer, says No. 5 shaft was deepened to 310 ft., with good grade ore exposed. Company has drifted south over 120 ft. in good ore over 10 ft. wide. North drift is now out 200 ft., one recent channel sample, across 10 ft., returning $40.60. Developed tonnage in this section is estimated at 24,000 tons. Estimate of ore developed in the No. 3 shaft section is 7,800 tons.

* * *

Century Mining Corp. — With holdings at Elbow Lake, Manitoba, will hold up underground development during the freeze-up but deepen shaft and establish two additional levels as soon as airplane service is resumed, it is announced by A. D. Macpherson, president. Mr. Macpherson states that drift on Garbutt vein has been in ore for 100 ft. south of shaft on first level and for 55 ft. north and south of shaft on second level. Samples taken after every round on both levels gave average of $15 per ton across average width of five ft. In all, 185 ft. of drifting has been done on Webb vein on two levels. Test holes from drifts show this vein varying from 2-12 ft. in width. Ore possibilities not yet determined.

* * *

Crow River Development—Holding 680 acres adjoining Pickle Crow on west and 400 acres in Rouyn twp., Quebec, reports that A. J. Anderson, consultant, is now at Patricia property to spot drill holes for campaign planned to continue through winter. Mr. Anderson believes region immediately north of Central Patricia and Pickle Crow will be revealed as lying on strike of these neighboring producers, and he recommends that diamond drilling be done to verify opinion.

* * *

LeRoy Mines—Advises that diamond drilling will be undertaken from second level of its Caputo property to locate vein between shaft and fault above and below second level. On second level, crosscut was driven 76 ft. north of station, fault seam being met 24 ft. from shaft. New compressor will be installed early this winter, when four machines will be used in development and stoping. A three-compartment shaft has so far been sunk 265 ft. and two levels established.

* * *

MacFarlane Long Lac — Holding nine claims in Little Long Lac area of Ontario, now has its shaft down over 83 ft., still in the vein with free gold showing, reports F. J. McFarlane, president. Vein was first cut in shaft 25 ft. down. First station is to be cut at depth of 200 ft.

* * *

MacIntosh Oil & Gas Co.—Informs shareholders that No. 1 deep well having encountered granite at 4,100 ft., plans have been made for drilling of second well, "within three or four miles of present deep hole." Shareholders meeting will be held early in November, in Petrolia, Ont., F. R. MacIntosh states. Company is closing its London, Ont., office.

* * *

Moneta Porcupine Mines — Is to deepen present shaft a further 300 ft., allowing two more levels to be opened up. Work is scheduled to start shortly. It is proposed to have two levels ready before 150-200-ton mill starts operation as planned early in 1938. Encouraging results obtained on 525-ft. level have persuaded officials to dispense with preliminary drilling to depth.

* * *

Shenango Gold — Reports that samples received from its Oba property in Algoma district contain appreciable quantities of free gold, with shaft assays returning high values after discarding visible gold. A cleaner concentrate is secured through addition of new tables to mill equipment. First shipment is expected to be made shortly.

* * *

Wascanna Mines — H. Thomson Leslie, consulting geologist at this property in Kowkash mining division of Ontario, reports that crosscut recently started on new 300-ft. level has so far shown value of $13 over 15 feet.

* * *

Upper Canada Mines — In east Kirkland Lake area, announces headings on all three levels under development were pushed out closer to objectives during September, an advance of 348 ft. being made during the month notwithstanding enforced shutdown for a week due to breakdown in power plant. Two flat diamond drill holes were completed on 250-ft. level and third is now being drilled on 375-ft. level.

* * *

Young-Shannon Gold—Announces that last ore shoot drifted on at its 600-acre property adjoining Waite-Amulet returned $20 per ton on back-sampling across 2½ ft. of 12 ft. of mineralized quartz vein in highly schisted shear zone on second level.

* * *

Magwell Long Lac Gold has stopped work at its holdings in Long Lac area, west of Little Long Lac and adjoining Jellicoe on the north. Three or four diamond drill holes sunk were put down to depths of about 1,000 ft. No gold values were obtained in first three holes. Fourth hole was put down to investigate the possibility of an extension to the Magwell ground of the long zone drilled on the adjoining Portage Long Lac property, but although it cut interesting mineralization nothing of commercial importance was indicated. The company has completed required assessment work.

* * *

Lakeside Kirkland, formerly the Queen Lebel property in eastern Kirkland Lake area, has located new vein which appears promising, according to E. B. Knapp, president and managing director. About 40 ft. of stripping has widened the vein from 6½ ft. to 11 ft. Mr. Knapp believes it may be the extension of that on which the No. 1 shaft was sunk. It was picked up about 600 ft. south of the No. 2 shaft. Company plans to diamond drill the new discovery immediately. Road from the mine to the Kirkland Lake highway has been completed and all buildings enclosed.

* * *

Delosha Porcupine Mines has sent in a crew to diamond drill its newly-acquired property of five claims in Falconbridge twp., Ont., within 1½ miles of Falconbridge Nickel Mines. The drilling programme has been recommended by S. L. McDonald, consultant. Running 3-12 ft. wide, a length of 310 ft. of vein material has been exposed. A series of short holes will first be drilled to depths of about 150 ft. Work continues in the meantime on Delosha's original property in Shaw twp., Porcupine district.

* * *

Electra Porcupine, adjoining Kendou and Aquarius Porcupine groups in Porcupine mining division, will begin diamond drilling at once, having completed a geophysical survey of its Night Hawk Lake property. The company is reported to have $50,000 cash on hand to carry out this work.

* * *

L. B. United Mines announces that the Ontario Securities Commission has approved reorganization plans under which a new company will be formed. Shareholders are to receive one new share for each three old shares. The assets are subject to a first mortgage bond issue of $30,400, now in default. To allow reorganization, bondholders will suspend their rights for two years, with the understanding that the unsecured creditors agree to postpone payment of their claims, amounting to $11,279, for at least six months.

* * *

Orelia Mines — Will install a milling unit to enable it to treat tailing deposits created by former owners of the Rainy River property. Sixty-three representative samples, taken from the tailings dump, returned average value of $5.83 per ton. Officials report that a recovery of 70% is indicated by testing to date, and that with this extraction a profit of $2.30 per ton may be expected. Orelia has acquired an adjoining group of five patented claims known as the Seine River group, giving the property a combined acreage of 397 acres in a solid block.

Straw Lake Is Listed

Company Is Developing Kenora Property by Three Levels

Stock of Straw Lake Beach Gold Mines, approved for listing by the Toronto Stock Exchange, was traded there for the first time on Oct. 12.

The company, incorporated in August 1934, has an authorized capitalization of 3 million shares, no par value. Of this amount, 2,179,999 have been issued, of which 1,230,050 shares were sold for cash, netting the treasury a total of $199,255, the listing statement shows. An additional 949,949 shares were issued for properties.

The company owns 24 unpatented claims, of 985 acres at Straw Lake, in the Kenora mining division, some 50 miles by water and road from Emo on the Canadian National Railway. The property has been developed by a shaft to 440 feet, with levels at 100 and 300 foot depths. On the first level, 650 feet of lateral work resulted in the opening up of two ore shoots, one 198 feet long, averaging $22.37 over 32 inches and the other 57 feet long averaging $15.29 over the same width. Some 1,000 feet of lateral work on the 300 foot level opened up 40 feet of $14.01 ore over 32 inches; 64.8 feet of $14.35 ore over 24 inches, and 40.1 feet of $15.06 over 32 inches.

At the present time, the third level at 425 feet is being opened up, after which the shaft will be deepened.

At the end of August the company had $30,819 cash in hand. Stores and supplies were estimated at $8,000 and accounts payable at $2,000, making total current assets of $38,819 against current liabilities of $2,000.

Murdock Mosher is president of Straw Lake, other officers and directors: William Sixt, vice-pres.; W. R. Salter, sec.-treas.; W. G. Chipp, asst.-sect.-treas., W. R. Baker, director, all of Toronto.

East Malartic Mines Sinks Shaft to 150 Feet

From Our Own Correspondent

MONTREAL.—The new No. 3 shaft on East Malartic Mines has now been sunk to the 150-ft. level, according to a report by J. P. Norrie, general manager. A development hoist has been installed. With this it is proposed to crosscut to the ore zone and drift west on the ore body, while shaft sinking is proceeding.

In three months time, according to Mr. Norrie, sufficient development work on the ore body should be completed to get a picture of it and from this a detailed mining system will be laid out.

Chicago Man Joins Board of Parkhill

Parkhill Gold Mines (1937) Ltd. reports that it has issued 25,000 shares at 18 cents per share. Issued capital is now 2,365,005 shares.

The company also advises that W. A. Pennington, of Chicago, Ill., has been elected to the board of directors to fill a vacancy. Officers of the company are now: Arthur P. Earle, pres.; F. Curzon Dobell, vice-pres.; Geoffrey F. Racine, treas.; Francis J. McKinley, asst. sec.-treas.; George M. McKee and W. A. Pennington, directors.

Normetal Mining Corp. Releases 75,000 Shares

From Our Own Correspondent

MONTREAL. — Normetal Mining Corp. has advised the Montreal Curb Market that 75,000 shares of treasury stock have been issued at 75 cents a share under the terms of the underwriting agreement. The issued capital now stands at 3,576,118 shares and 178,894 shares remain underwritten at 75 cents a share.

Sullivan Consolidated Reports Higher Output

From Our Own Correspondent

MONTREAL.—Production of Sullivan Consolidated Mines for the third quarter amounted to $197,592 from the milling of 13,919 tons. This represents an increase of $39,892 over the same period a year ago, and compares with $189,632 in the second quarter this year.

Cumulative production for the first nine months of 1937 totalled $574,198, compared with $446,600 for the same period in 1936.

English Journal Warns Against Canadian Stock

Disapproval of the manner in which shares of Duver Creek Gold Mines, a Canadian mining company, are being marketed in England is expressed by The Investors' Chronicle, of London, under its regular column, "Cautionary Notes."

Toronto unlisted brokers were unable to quote any price for these shares when queried by The Financial Post, stating they knew of no market. Duver Creek was incorporated with a Quebec charter in 1936 to succeed Trout Creek Gold Mining Co. In the autumn of 1936 The Post was officially informed that work was to start, although no report has been received since of any activity.

Says the Chronicle:

"Attention is being drawn by direct mail circulars, apparently printed in England, to the $1 shares of a Quebec company called Duver Creek Gold Mines. The scanty financial details provided in the preliminary literature merely show that 1,100,003 of these shares have been issued, and that 1,000,000 of these have been pooled, there being no explanation of the significance of the last statement.

"Curiously enough, though the mine is a Canadian one, while the literature is obviously prepared for the consumption of British investors, those who are attracted by the offer have to send their reservation for shares to a firm called Associated Investments, in Brussels. The reservation, which is at 2s. per $1 share, free of brokerage commission, does not commit the investor to a definite purchase, but those interested are warned that reservations arriving after Sept. 19 will be too late. Associated Investments, in a covering note, makes the following rather unconvincing excuse for passing on the offer: 'The enclosed offer which we have received from Canada is one which will appeal more to the British investor rather than the Belgium (sic), hence our reason for forwarding it to you.'

"We are satisfied that this offer should be disregarded, for experience of numerous similar Canadian gold propositions, offered in the same way, shows that they are completely unsuitable for British purchasers.

"Mr. S. J. Smiley, president of Duver Creek Gold Mines, tells us that the Duverny district of northwestern Quebec, where property is situated, is likely to prove the most prolific goldfield in the Dominion. According to him the company represents an 'amazing proposition,' but he wants to find out what immediate money the directors can depend on for intensive development work in the next few months. A good deal is said about the gold discovered on a mine 'almost next door to our property.' The president states that the stock of Duver Creek Gold 'is traded on the Montreal unlisted or over the counter market, prevailing price being 50 cents a share.' This, we are told, is the market 'on which many other gold issues that have had big upswings have been traded in before going on the Stock Exchange or Curb.' It is claimed that there is 'a possible 1,000% speculative profit, estimated conservatively' in the shares. Many other statements in the literature are sufficiently optimistic to warrant a cautious attitude on the part of those receiving the circulars."

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Bowcock, Hackett & Morgan
Members The Toronto Stock Exchange
Telephone: Adelaide 0523
320 Bay Street - Toronto

Buff. Ankerite Doubles Gross

September Output Brings 9-month Total to $2,034,288

September production at Buffalo Ankerite Mines amounted to $244,000, approximately, the company estimates. During the month, 29,933 tons were milled, making a recovery per ton of about $8.15.

Returns so far this year for this Porcupine producer indicate earnings materially higher than in 1936, when gross receipts from bullion for the 12 months totalled $1,888,829. Already this year, to the end of September, the company's production has totalled some $2,034,288, with present indications that the year's gross will be nearly double the 1936 figure.

Following is the company's production record for the first nine months of the year;

Month:	Tons milled	Recov. per ton	Bullion recov.
January	26,822	7.60	203,849
February	25,116	8.62	216,494
March	27,347	8.26	225,972
April	28,224	7.71	217,696
May	27,282	8.32	227,020
June	27,635	8.00	220,981
July	29,515	7.88	232,592
August	30,392	8.06	245,684
September	29,933	8.15	*244,000
Total	252,226	8.06	2,034,288

*Estimated.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG.—John E. Hammell has optioned the Man-Sask. group of claims lying on the south shore of Phantom Lake, a short distance from the town of Flin Flon. By-laws authorizing the transaction were passed at a special meeting of shareholders held in Winnipeg a few days ago.

Under the terms of the option Mr. Hammell has to do a considerable amount of development work and two drills are already on the way to the property. Earlier work has disclosed what appears to be an interesting formation and as the property is readily accessible rapid progress is anticipated.

* * *

Abbott Reports Success

Abbott Mines, one of the comparatively few properties which has been working in the Rice Lake area this summer, reports considerable success from its season's operations. The property lies about six miles west of San Antonio mine and the main vein has now been stripped, trenched and partially sampled for a distance of 1,600 feet, running cornerwise across one claim. A number of test pits have been put down to a depth of about 10 feet and these have disclosed good values over substantial widths. The mineralized zone appears to be about 40 feet in width and in many places the ore body carries values for 20 feet. Free gold is in evidence in most of the pits.

Urges Orderly Metal Markets

B. C. Economic Counsellor Blames Profit Urge For Past Failures

From Our Own Correspondent

VANCOUVER.—Control of Canada's supply of non-ferrous metals in relation to possible uses was suggested by Prof. W. A. Carrothers, of British Columbia's economic council, in a paper read to the joint convention here of the Canadian Institute of Mining & Metallurgy and the American Institute of Mining & Metallurgical Engineers.

"Attempts at control in the past would appear to have failed mainly owing to a desire to reap high profits on the basis of temporary considerations," said Prof. Carrothers. "A policy of marketing control with respect to these metals to be effective must be a long-term policy. Those in a position to make temporary profits will have to deny themselves this privilege if they are to retain the ultimate control of the market."

Sees Increased Demand

Prof. Carrothers presented to the convention a thorough survey of British Columbia's production of such metals as copper, lead and zinc. He said that the artificial elements in the market for such non-ferrous metals could not be too strongly emphasized, particularly in respect to foreign sales. There was no doubt that over a long period there was a more or less definite demand for these metals based on business conditions and scientific developments of their use. But the manner in which that demand was supplied at any moment was subject to a variety of artificial conditions.

"It is likely that the general tendency will be toward an increased demand for non-ferrous metals," said Prof. Carrothers. "In spite of a relatively declining birth rate in most industrial countries, population is likely to increase absolutely for some years.

"An increasing population will mean an increasing demand for those metals based on a relatively high standard of living. It is also likely that this standard of living will continue to rise, further increasing demand. It is also likely that improved methods of operation will lead to lower production costs and will lead to an increase in the use of these metals for a variety of purposes."

War Factor Discussed

The speaker said that the possibility of war was a factor difficult to estimate but it would appear that for some time to come, at any rate, nations would find it necessary to continue in a condition of preparedness for war, and this factor was of great importance.

"In view of the conditions of production and of the market for non-ferrous metals," he said, "it would appear that here is an admirable field for intelligent market control. The likely use of these metals over a period may be estimated with reasonable accuracy. It is this use which constitutes the demand for metals."

Dress Up!

Your *office* is *your* Castle. Put *your personality* in it. Let it express *yourself* and your *enterprise.*

OFFICE SPECIALTY MFG. CO.
NEWMARKET, CANADA
Branches in Principal Canadian Cities

We Manufacture

Envelopes

for every purpose

Barber-Ellis
of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Red Crest Gold Mines Sells Additional Stock

From Our Own Correspondent

MONTREAL. — Red Crest Gold Mines has notified the Montreal Curb Market that an additional 12,500 shares of capital stock of the company have been taken up at 35 cents a share under the terms of the option agreement.

The number of shares outstanding is now 2,229,500 and 700,500 shares remain under option, including 270,500 shares at 35 cents a share and 500,000 shares at 50 cents a share.

HUMAN NATURE

No man can be expected to give greater attention to other people's business than to his own—the other man's business must be of secondary consideration. Through a Trust Company an Estate receives the thoughtful management which only experience and specialization can ensure.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Canadian Pacific Express
Travellers Cheques
Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

NORTHERN CANADA MINING CORPORATION LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

TOOLE, PEET & CO. LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.

Our statistical staff would be pleased to answer inquiries regarding all classes of securities.

F. J. CRAWFORD & CO.
MEMBERS
Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange Inc.
11 Jordan Street Toronto
ELgin 2201

Investors' Chronicle
6d. • Established 1860 6d.
Has the Largest Net Sales of any Weekly Financial Newspaper in Great Britain
OVERSEAS FINANCE
Special Correspondents in all Financial Centres
A free specimen copy will be forwarded on post card application to:
THE PUBLISHER,
INVESTORS' CHRONICLE,
20, BISHOPSGATE,
LONDON, E.C. 2, ENG.

New Oil Trio Facing Tests

Share Royalties Expected to Do Better Than 500 Bbls.

From Our Own Correspondent

CALGARY. — Model-Spooner-Reward, Share Royalties and Granville, three new Turner Valley wells to come into production, are all expected to yield between 500 and 700 barrels, according to indications at time of writing.

At the Model-Spooner-Reward well, a test was made, but it was not conclusive owing to the water used in drilling which came up with the crude oil. At present, tubing is being obtained and when this is installed the figures might be higher than first estimates.

Share Royalties was expected to prove something higher than 500 barrels after refusing to act up to bright promise of its spectacular completion. The heavy bursts of pressure with which the well came in led most authorities to exaggerate the flow. In this case the production is being taken from the 6 5/8-inch pipe and installation of tubing will probably be adopted before full production will be recovered.

Granville Test

Last week Granville gave 160 barrels in a six-hour test, this also being taken from the pipe. Officials stated they would not be surprised if the well was to prove somewhere near 700 barrels when production has been regulated.

Completion this week may include both Four Star Petroleums drilling for the Brown interests, 242 feet in the lime, and the Prairie Royalties, of the Anglo-Canadian group, down 237 feet in the lime. In addition, Royal Crest, of the Brown group, was drilling 18 feet in the lime, while Firestone, of the Anglo-Canadian group, cemented in the lime at 6,368; Three Point Pete of Brown's cemented at 6,570 and National Pete installing cable tools while cemented in the lime at 6,805. Commoil was making hole at 100 feet in the lime at 7,120 feet.

Mercury Not Prorated

Water was still preventing testing at the new Mercury No. 8 well, completed as a naphtha producer, but officials were satisfied they had a fair well. There is no prorating at any of the Mercury controlled wells, the company having no difficulty in marketing all the gasoline they can produce through their own distributing organization.

Mercury Royalties well was still drilling at 4,907 feet. Arrangements are being made which it is hoped will assure completion of the Ranchmen's well now standing at a depth of 7,225 feet.

Preparations for a formation test were being made at Hunter Valley well at a depth of 8,274 feet during the week, but the impassable road conditions halted progress. Prairie Royalties at 7,067 feet drilling 237 feet in the Madison lime is the bright spot in the Anglo-Canadian's picture this week.

Prospects were considered promising for a big well. The hard capping in the lime had been drilled into and more than 100 feet had been made in three days' drilling during the week. Firestone struck the lime contact last week at 6,345 feet and went to 6,368 before cementing in the lime, with drilling expected to be resumed late in the coming week.

Denny Says 100,000 Tons Near Shaft Area at Lapa

Reporting on recent results at the property of Lapa Cadillac Gold Mines in the Cadillac area of Quebec, H. S. Denny, president, states that in the vicinity of the shaft only, an estimated total of 100,000 tons of commercial ore is in sight. Mr. Denny reports that encouraging results have followed work on both the B and C ore bodies, with the result that, in the opinion of the management, production is defiintely indicated. To date, Mr. Denny points out, only 1,000 feet of the 7,000 feet along the main Cadillac break contained within Lapa Cadillac's boundaries have been investigated.

New Golden Rose Shipping Regularly

From Our Own Correspondent

SUDBURY. — Another brick of gold bullion has been brought out by air from the New Golden Rose Mine at Emerald Lake. The company is now making regular pourings twice monthly, and it is understood the mill is now giving fine performance. New Golden Rose started milling over six weeks ago, and while there has been no statement as to tonnage or millheads, it is expected figures for August output should soon be available. The mine is being operated by Consolidated Mining and Smelting Co. in an arrangement with Afton Gold Mines, original owners.

Woods Cadillac Mines Continues Shaft Sinking

From Our Own Correspondent

MONTREAL.—Shaft sinking operations on the Woods Cadillac Mines properties now reach a depth of 336 ft. and crosscutting on the 250-ft. level is started.

According to a report prepared by Julius M. Cohen, the company's consulting engineer, diamond drill hole No. 30 is now in the second band of iron formation at a depth of 527 ft. The report further states that the heating boiler is now being set in place and the day house being erected.

East Malartic Mines Increases Issued Stock

From Our Own Correspondent

MONTREAL. — East Malartic Mines has issued an additional 10,000 shares under the terms of the option agreement. This brings the number of outstanding and listed shares to 1,816,666. There are one million shares held in escrow and 183,334 shares in the treasury, of which 83,334 shares are under option at 80 cents a share.

Gunnar Output Is at $50,904

Gunnar Gold Mines announces that production during Sept. amounted to $50,904 from treatment of 4,304 tons. Average millheads ran $12.26, the mill handling 143½ tons daily for the period. This compares with August recovery of $54,152 from treatment of 4,510 tons, millheads running $12.52 with a daily tonnage rate of 145½ tons. Relining of the ball mill held up operations for a day during September, a short month. At the end of September, Gunnar reported a liquid surplus in excess of $250,000.

More Funds to Aid Fox Lake Resumption

From Our Own Correspondent

SUDBURY.—Further funds are to be provided for renewed development of the Fox Lake Gold Mines in the West River section, in accordance with a decision of shareholders. At a meeting held in London, Ont., last week, shareholders approved a proposal to increase the capital from $1 million to $3 millions and to name a board of seven directors instead of five.

The meeting was informed that an option had been given to the New York Note and Share Corp. on one million shares of the new stock, which if exercised in full would give Fox Lake treasury the sum of $412,000. Arrangements are being made for further diamond drilling, and if this proves satisfactory it is planned to sink a shaft. Previous work was encouraging, Capt. L. W. Adams told the shareholders. A total of 535,000 shares was represented at the meeting.

The new board comprises Capt. L. W. Adams, who has been president and manager; Thos. C. Benson, J. W. Westervelt, D. A. Anderson E. A. Seigrist and W. D. Smith, all of London, and Prof. J. R. Hamilton, of Hanover. The board will meet later to elect officers.

Pioneer Gold Mines — Estimates September production at $183,000, with expenses of $80,000, before deducting depreciation, taxes and depletion.

Gold Equities Shows Surplus

Net Profit of $113,415 Shown in Fiscal Year

United Gold Equities of Canada shows an income from interest and dividends, and from net profit on sale of securities, of $123,320, in its annual report for the fiscal year ended June 30, 1937.

After deducting general expenses of $6,997, and taxes of $2,907, a net profit for the year of $113,415 is shown. Dividends paid during the year to holders of common and standard shares, amounted to $29,636, equivalent to 14 cents per share.

In the balance sheet as at June 30, 1937, the company shows cash of $7,039, and investment securities which, at that date had a market value of $503,968, at a book value of $480,702. Dividends receivable of $6,140 brought total current assets to $493,881. Current liabilities totalled $7,924.

Attached to the report is a list of investments as at June 30, 1937, as follows:

Security:	Shares	%
Athona Mines	1,000	.04
Athona Mines (1937)	30,000	2.16
Bankfield Consol. Mines	2,000	.46
Blouin Lake Gold Mines	15,000	.34
Bralorne Mines	4,500	8.11
Bulolo Gold Dredging	2,100	13.76
Candn. Malartic Gold Mines	300	.04
Central Patricia Gold Mines	800	.26
Coniaurum Mines	5,000	2.11
Cons. Mining & Smelting Co.	900	5.45
Dome Mines	1,000	10.36
Fondulac Mining Corp.	20,000	.82
Gold Crest Mines	10,000	.10
Greenlee Mines	52,338	.54
Hollinger Consolidated	900	2.59
Hudson Bay Mining & Smelt.	200	1.34
International Nickel Co.	1,000	5.96
Lake Rowan Gold Mines	2,000	.19
Lake Shore Mines	1,000	11.07
Macassa Gold Mines	7,000	5.01
Mackey Point Gold Mines	10,000	.36
Melba Gold Mines	70,000	1.75
Mooshla Gold Mines	5,000	.10
MacLeod-Cockshutt Gold M.	2,000	2.04
McIntyre-Porcupine Mines	100	.88
McKenzie Red Lake Gold M.	3,000	.78
Noranda Mines	1,100	9.09
Numaque Mining Co.	10,400	.43
Pato Consol. Gold Dredging	1,500	.77
Placer Development	1,000	4.42
Premier Gold Mining Co.	500	.28
Siscoe Gold Mines	500	.44
Slave Lake Gold Mines	30,000	3.80
Wright-Hargreaves Mines	1,500	2.97

News Concentrates

White Horse Gold Mines advised shareholders at its annual meeting that diamond drilling results on its Little Long Lac property have not been particularly encouraging, though possibility still exists that commercial ore will be uncovered. During the year the company bought six claims adjoining the main property, paying 200,000 shares for them.

• • •

Cassels Duval, in north Bousquet twp., Quebec, will undergo surface exploration and diamond drilling by United States Smelting & Refining Co., which has optioned the property. A gold showing has been opened at surface for over 500 feet, and later drilling indicated gold occurrence for an explored length of 1,100 ft.

• • •

Beaufor Mining Corp.—Is advised by J. P. Norrie, general manager, that drift No. 506 has promising vein. For period Sept. 1-15 first surface hole on south claims was sunk to establish greenstone granodiorite contact. Second surface hole will be put down further west in more favorable ground. Crosscut No. 615 is being driven north from No. 604 east to open up section in diamond drill hole No. 229 which contained 4½-ft. section assaying 0.22 oz.

• • •

Coal Gate Oils—On leases held by Gates Petroleum, a Winnipeg organization, Coal Gate Oils of Regina is drilling in Pei Wei hills area, north of Yorkton and expects to have well there completed by early in November. Second well is being commenced immediately at Pilot Mound, southwestern Manitoba, the driller being on the way and the material already on site. At Kamsack, cellar has been excavated and well is also being started as soon as the crew arrives on the ground.

• • •

Delandore Mines in Delestre twp., Quebec, 22 miles from Senneterre, reports that No. 16 hole now being sunk. Diamond drilling indicates length of about 2,100 ft., with width running about 100 ft. Total zone length, following drilling and dip needle survey, has been indicated at approximately 5,000 ft. Large sulphide body occurring on the holdings will be investigated by No. 17 hole, which will be drilled to 900 ft. and will be first deep hole for this purpose.

• • •

Doreva Gold Mines in Bousquet twp., Quebec, has stopped underground work for present, pending raising of additional funds to finish programme of proposed lateral exploration. Small crew is continuing surface prospecting and shaft is being kept unwatered, it is understood.

• • •

Island Mountain Mines — Reports September production at 1,535 fine oz. from treatment of 3,425 tons of ore.

• • •

East Malartic — Reports that new No. 3 shaft has been sunk to 150-ft. level, where station cutting is under way. Development hoist has been installed and with this it is proposed to crosscut to ore zone and drift west on ore body. In three months, according to J. P. Norrie, general manager, sufficient development work should be completed to get picture of ore body, and from this detailed mining system will be laid out.

• • •

Kirkland Gold Rand — Reports drilling at vertical depth of 930 ft. from 800-ft. level has intersected most important ore body so far encountered, occurrence having a minimum width of 8 ft. and maximum of 12 ft., depending on dip of deposit. Average value is reported at about $10 per ton, with one 18-in. section assaying over 1 oz. in gold per ton. Winze from 800-ft. level has been extended from 250 to 500-ft. level, where station cutting is now in progress. It is intended to continue winze to 650-ft. level, with station cut at 625 and allowance of 25 ft. for sump.

• • •

Kirmaque Gold Mines—Has completed necessary assessment work on its 24-claim property in Bourlamaque twp., Que. Geophysical survey and preliminary surface work have been carried out. Company holds four claims in Melba twp., near Bourkes, Ont., and on these sufficient work has been done to keep them in good standing until 1938. Company is now negotiating for funds in order that its Bourlamaque property may be explored, and reports that it has no debts outstanding.

• • •

Eldorado Gold—States actual sinking operations have begun on its Bonanza property. E. J. Walli, mine manager at Great Bear Lake property, reports that construction of surface plant and buildings has been completed and that crew of 12 is now sinking shaft. Bonanza is at Dewdell Point, 7 miles southwest of main operations of silver-radium producer at LaBine Point, N.W.T. President Gilbert LaBine describes present programme as first real attempt on part of Eldorado to develop its near-by silver property.

• • •

Malartic Gold Fields—Reports that total of 1,772 ft. of diamond drilling was done in drill holes Nos. 41-44 during period Sept. 1-15. Assays, says J. P. Norrie, general manager, are low up to footage 654 in hole No. 41 and 153 ft. in hole No. 42, although several mineralized vein sections were cut. In holes Nos. 42 and 43, much mineralized porphyry still unassayed was intersected. It is planned to continue drilling along main greenstone greywacke contact, where favorable ground has been indicated for 3,000 ft.

• • •

Payore Gold Mines—Has extended the 106 drift in south crosscut on 125-ft. level for over 500 ft. Last rounds in east face ran $10.50, $15.75 and $20.30 respectively, with west face $4.20 and $6.10. The 106 drift is about 150 ft. south of shaft running in an east-west direction. On 250-ft. level, drifting west on 208 vein, about 300 ft. north of shaft, has returned encouraging values in channel sampling. To date ore zone at least 600 ft. wide has been definitely established. It has been traced on surface and by diamond drilling for some 4,000 ft.

Penmans
Manufacturers of High-Grade
HOSIERY KNITTED UNDERWEAR AND OUTERWEAR
MILLS at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
General Offices: PARIS, ONT.

Maurice Singer's Citizenship Status Subject of Enquiry

From Our Own Correspondent

MONTREAL. — Maurice Singer, widely-known international financier, may lose his Canadian citizenship papers as a result of proceedings instituted before Mr. Justice MacDougall, sitting as special commissioner under the Naturalization Act.

The Royal Canadian Mounted Police have asked the Commissioner to revoke Singer's Canadian citizenship papers which were claimed to have been obtained fraudulently.

The point under investigation by the Commission is the manner in which Singer obtained his Canadian papers from the Naturalization Department in Ottawa.

Question of Residence

According to signatures of references upon the application, a Canadian Senator, a Montreal police officer and an engineer in the employ of the City of Montreal, declared that they had known the applicant for a "number of years" and that he had resided within the Empire for five years.

This information was flatly contradicted it was reported, by evidence that Singer had not been in Canada for more than a year.

According to information revealed by the police at the hearings, Singer was deported from England after entering on a Czechoslovakian passport and again, later, after arriving with American credentials.

Upon a third occasion, 1934, Singer embarked for England under the protection of a Canadian citizenship.

British Warrant Out

Following several financial operations, Singer departed from England for parts unknown and left behind him a British Home Office warrant charging him with fraud of "certain sums of money" from "certain persons."

During the hearings the police presented a warrant which has been obtained from the Attorney-General of Quebec charging Singer under the Fugitive Offenders Act.

Judgment on the case has been reserved by Mr. Justice MacDougall.

Recovery at Argosy Gold $10.29 Per Ton for 3 Mos.

Dividing its production into periods of 28 days each, Argosy Gold Mines, on Casummit Lake, northwestern Ontario, shows gross production for the three 28-day periods ended Sept. 23, 1937, at $83,035 from 8,426 tons of ore milled, equivalent to a recovery of $9.85 per ton. These figures include 720 tons of tailings re-treated for a gross recovery of $3,722. Actual recovery of mined ore was therefore $10.29 per ton.

Production from Jan. 1, 1937, to Sept. 23 amounted to $257,613 from 21,262 tons milled, an average of $12.12 per ton.

Diamond drilling on the No. 1 vein has indicated an average width of four feet along 400 ft., with a value of $18.50 per ton. Sorting equipment is being installed on the surface.

Perron Mines Output $79,726 Last Month

From Our Own Correspondent

MONTREAL. — Perron Gold Mines' output during September totalled $79,726, according to a report by J. P. Norrie, general manager.

During the last half of the month the mill operated at 99.56% of possible running time on an average daily tonnage of 338 tons of ore, producing $39,548.

According to Mr. Norrie No. 215 stope on the 175-foot level produced in the last half of the month 641 cars of ore assaying $13.30 a ton. The vein in this stope has been exposed for a length of 200 feet with an average width of 10 feet and has been exposed by diamond drilling on the 325-ft. level. All stopes in the mine responded well during this period, 5,071 tons of ore going to the mill and assaying $7.94 a ton.

Albany River Ore Reported Widening

A new ore section, recently opened up on the 375-foot level to the west of Albany River Mines in Ontario's Patricia area, appears to be increasing in importance, judging from official reports. Starting off with a width of between five and six feet, with face sampling for three successive rounds ranging from $18 to $23, the ore body has widened out to such an extent that to determine its full width, a short crosscut was called for. At latest word, although the south wall had not been entered in the crosscut, there is now showing a face of ore giving an average of $20.61 across 19.1 feet.

Foundation Petroleums List Stock in Montreal

From Our Own Correspondent

MONTREAL.—Capital stock of Foundation Petroleums Ltd. has been called for trading on the Montreal Curb Market. The listing covers the authorized capital of two million shares, 25 cents par value, of which 1,100,000 shares have been issued; the balance remain in the treasury.

Cook Lake Gold Mines announces that C. H. Palmer, New York mining engineer, has been appointed president and a director of the company succeeding H. G. Donley, who remains on the board as secretary-treasurer and director. Cook Lake has completed mapping and a geological survey of its holdings in Schreiber area, Ontario. High-grade gold ore bagged by the company is being sent to the International Nickel smelter in a special shipment; bagging of this high grade has come mainly from veins Nos. 8, 9 and 10.

Scott Chibougamau Reports on Properties

Scott Chibougamau Mines reports that development work on its Bousquet holdings has revealed a wide zone of shearing, striking in an easterly and westerly direction across the property. Results, according to Julius M. Cohen, are sufficiently interesting to warrant the contemplation of a diamond drilling programme. Assessment work on the company's Fourniere twp. group must soon be completed, Mr. Cohen states, and the crew which had been working in Bousquet was moved temporarily to carry out assessment requirements.

Several diamond drill holes were sunk on the Smith property in the Chibougamau area, but the downward extension of a high grade surface showing could not be located in the drilling. On the Simon Lake property, also in Chibougamau area, results indicated that extensive diamond drilling must be carried out, and it was thought inadvisable to embark upon this campaign at the present time.

Drilling Brings Results

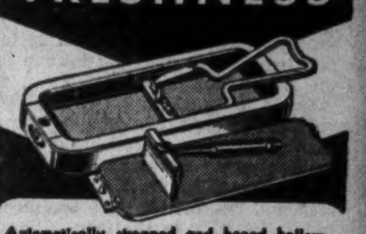
From Our Own Correspondent

MONTREAL.—Recent drilling at the Beaufor Mining Corp.'s Beaufor property, cut a section of mineralized quartz assaying $176.40, according to a report by J. P. Norrie, the general manager.

In his report for the last two weeks in September, Mr. Norrie states that drift No. 506 East was continued 58.8 feet to 187.8 feet. Crosscut 615 was advanced 74.3 feet to 151.4 feet.

Drilling on the south claims near the Cournor boundary, he says, has been chiefly in greenstone indicating a sharp turn to the west in the contact. Further drilling to the west in this location is being done.

FOR ALL-DAY FACE FRESHNESS



Automatically stropped and honed hollow-ground blade shaves cleanly, closely, comfortably. 61

ROLLS RAZOR
$6.95 AND UP
Rolls Shaving Bowl-$1.00. Refills-60c

Talcott factoring gives a new impulse to your working capital—and to your profits. With ready cash, and without credit or collection worries, your concentrated effort can be applied to production and sales.

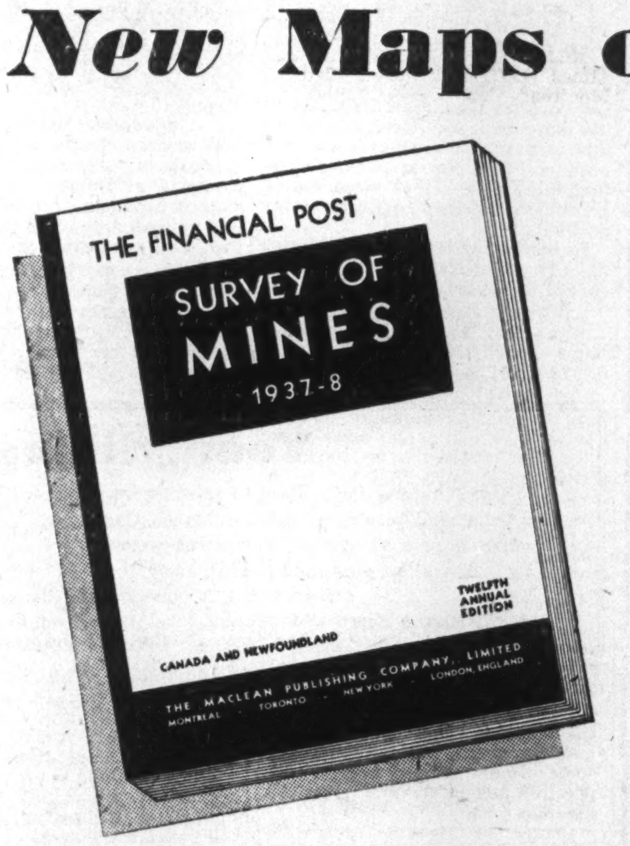
We provide cash immediately as goods are shipped . . . We guarantee against credit losses . . . We make advances against seasonal accumulation of merchandise.

Write For Our Booklet "MODERN FACTORING"

JAMES TALCOTT OF CANADA LIMITED
Factors
1470 PEEL STREET MONTREAL, P.Q.

WE GO ON FOREVER
CONTINUOUS RELIABILITY
The EASTERN TRUST CO.
REGISTRAR — TRANSFER AGENT
EXECUTOR — TRUSTEE
Head Office: Halifax, N.S.
Branches—Montreal, P.Q.; St. John, N.B.; Charlottetown, P.E.I.; Moncton, N.B.; Saint John's, Newfoundland; Toronto, Ont.
TORONTO OFFICE: 330 BAY ST.
H. C. OXLEY, Manager

New **Maps of the Mines**



Over 300 Pages Size 12"x9" **$2** Per Copy Post paid

Indispensable to mine operators, mine executives, financiers, shareholders and those selling equipment and supplies to the mining industry.

On producing companies a full record of production, costs, earnings, dividends, financial structure and details of personnel and directorate.

Companies under development fully covered, with present status of operations, together with names of all officers and directors.

Every claim location, every camp, every mining area of consequence in Canada and Newfoundland illustrated in accurate, detailed map form. That is but one outstanding feature of this new twelfth annual edition of

The Financial Post SURVEY OF MINES

(Ready October 30)

These maps, all brand new and up-to-date, bound in a special section for your convenient ready reference, are obtainable ONLY in The Financial Post SURVEY OF MINES, itself the only complete record of up-to-the-minute mining activities in Canada and Newfoundland available in permanent form.

Order YOUR Copy NOW

Last year's edition was completely sold out in a few weeks. Advance orders for this new book already are piling up. Avoid disappointment by ordering YOUR copy NOW. Delivery guaranteed if your instructions are received prior to publication.

YOUR ORDER FORM

MAIL IT TODAY!

The Financial Post,
481 University Avenue,
Toronto, Canada. 1937

Send me postpaid immediately upon publication . . . . copies of The Financial Post SURVEY OF MINES, 1937-38.

Herewith $ ....

NAME ....

ADDRESS 849

Draining Turner Valley's Oil Flood

Railway Concessions Extend Market Limits — Pipe Line or Pipe Dream?

By WILFRID SANDERS
Mining Editor, The Financial Post.

Like a boy grown too big for his clothes, Alberta's oil industry is feeling cramped by its immediate environment.

In a normal ménage, the boy's problem is as much the concern of the parents as it is his own. Alberta's problem cannot help but be one for the whole Dominion.

If one seeks a solution to the boy's problem by simply admonishing him to stop growing, something is likely to give way. Alberta's oil industry has been told, in effect, to stop growing, and production has been curtailed, initially in the face of much protest, to 65% of normal. This is regarded as, and can only be, a temporary solution of the problem, which is what to do with the young, rapidly growing and already-too-big-for-his-clothes industrial infant, which Alberta has presented to the Dominion of Canada.

It is worth examining this infant rather closely, as he may very well turn out to be a distinct asset to Canada's industrial household, and in any event, cannot be ignored.

Record of Growth

That Alberta's oil industry has grown rapidly is generally known and graphically shown by production figures. Two years ago from a few naphtha wells, Alberta's production of oil was 1,263,750 barrels. In 1936, annual production was 1-320,442 barrels. To the end of August, 1937, production was 1,468,000 barrels. At present production rate and making no allowance for probable new producers, 1938 output of oil should be in the neighborhood of 2.7 million barrels, an increase of about 107 per cent. By the end of the year production will be on an annual basis of about 3.6 million barrels. With present drilling activity there remains no reasonable doubt but that 1938 production should be much higher again than 1937.

What is being done with all this oil? What can be done with it?

Alberta itself can use perhaps two million barrels a year. The whole of Canada could use, judging from annual import figures, about 30 million barrels, a rate of consumption which looks pretty good to Alberta, and a prize worth going after. If she could tap this market, her marketing problems would be over for many years to come.

At present, of course, and under present circumstances, she is unable to come near this market, the greater part of which is centred east of the Great Lakes. To get into this market, at prices which will be able to compete with the imported products, is her problem.

Producers vs. Distributors

That Alberta's oil industry will not be able to leap the vast distances between Calgary and eastern Canada at one prodigious bound is apparent. That she will eventually, by slow stages, be marketing her oil in eastern Canada is the sincere conviction of many oil men, who point out that the rail from Calgary to Winnipeg is but 822 miles, as against a rail haul of 1,198 miles from Oklahoma to Winnipeg.

Dominating the whole western oil picture is the fact that at present nearly all oil production is handled by two major concerns, Imperial Oil and British American Oil. These two companies, then, take most of the output of scores of wells, representing individual interests.

It is impossible, in discussing the western oil situation, to avoid reference to the conflicting camps which this fact produces.

On the one hand, many producers are quick to tell you that the distributing companies are hampering the growth of oil production. They argue that there was plenty of evidence, many months ago, that oil production from Turner Valley would exceed domestic demand. The big companies, it is argued, took no action, until the problem had actually arrived, and then resorted to the unpopular step of proration, or curbing output. A few weeks earlier the price paid by these companies for oil had been reduced.

Against this argument, major oil distributors point out that initially Turner Valley supplied only a small portion of the prairie market, and that in order to ensure their customers a steady supply, it was necessary to enter into long term commitments with United States producers. What the producers see as "hampering" the development of the field, the distributors see as merely ordinary precautions, aimed at ensuring a careful, orderly development of the field, rather than an uneconomical drive for quick profits Definite arrangements for marketing oil cannot be made until the oil is there to market.

"Cracking" and "Topping"

Chief use of oil is the manufacture of gasoline. Crude oil will yield both "straight run" gasoline, which by simple process, known as "topping" and "cracked" gasoline, the product of a heat treatment, by which the heavier, higher boiling, less volatile constituents are broken down, decomposed, or "cracked" into lighter. lower boiling, more volatile constituents.

These two processes lend their names to the "topping" and "cracking" plants, about which one hears so much in Alberta. Both processes are part and parcel of the normal refinery and in recent years, much progress has been made in the cracking process, by which more and more of the all important gasoline is obtained from the crude.

Running a close second to gasoline, and growing in importance every year, are the various types of fuel oils. Kerosine, variety of lubricating oils, road oils, Diesel oils, asphalt and paraffin wax, are only a few of the more important products which this versatile natural resource can produce. It is not surprising then, that the marketing of these varied products provides a highly complex problem.

In marketing its product, Alberta already has certain facilities which should be reviewed briefly.

Present Refining Facilities

At Calgary, Imperial Oil's refinery has a capacity of between 5,000 and 6,000 barrels per day. At Regina, the same company operates a refinery of about 4,500 barrel capacity. British American Oil Co. has a refinery at Moose Jaw, of 3,000 barrel daily capacity. The same company has a small, 500 barrel refinery at Calgary and also a 2,500 barrel refinery at Coutts, on the border between United States and Canada, which handles chiefly Montana crude.

Excluding the Coutts refinery and prior to a recent reduction in freight rates, which will be referred to later, Turner Valley and the other Alberta fields had a total refining capacity of, at the most, 6,500 barrels per day, against a current production of between 10,000 and 15,000 barrels. Both the Regina and Moose Jaw refineries, which had been built at these sites to handle oil from Oklahoma, due south, were until a few weeks ago, handling United States oil exclusively, under commitment.

Going back to precrude days, for a moment, Turner Valley's product, being naphtha, was useful to these refineries, only to the extent that it was blended with the American product in making gasoline. Since this, United States was not competing with the Canadian, tariffs were light. On crude oil below 42 gravity there was no duty at all, for refining purposes. Lighter crudes were subject to an import duty of one cent per gallon. Since the average gravity of the oil imported from the Kevin-Sunburst and Cutbank fields in Montana was lower than 42, it was subject to no duty.

Montana Competition

This state of affairs was satisfactory to everybody until Alberta, after 25 years of foiled efforts actually started producing crude oil herself, and immediately came into competition with the United States product.

When, in co-operation with all parties, the Canadian railways reduced the freight rates to Regina and Moose Jaw, thus opening up new markets for the Turner product, the competition was felt all the more.

Belying the charge that they were anxious to "hamper" development of the western Canadian field both large distributing companies, B.A. and Imperial Oil, announced that they were dropping the commitments to purchase the Montana product in favor of the Canadian.

Thus, these two developments have already opened up to Alberta a much larger market, expanding the limit, as shown in the accompanying map, from the confines of the province, to the border between Manitoba and Saskatchewan. What this new market will mean in barrels is difficult to estimate. Authoritative estimates place it between 10,000 and 20,000 barrels daily.

In addition to meaning far larger markets, the new freight reductions are significant in that they imply that the railways do not intend to lose the oil freight to pipeline companies, either private or Government operated.

Pipe Lines or Pipe Dreams?

The construction of a pipe line eastward, even as far as the head of the lakes has long been advocated by some oil enthusiasts. An engineering expert who is in a position to know the facts fairly thoroughly estimated to The Post that such a pipe line would cost in the neighborhood of about $10,000 a mile, althongh, of course, much would depend on grading and general topography. Taking this figure as a fair estimate, and the crow-flight distance from Calgary of about 430 miles, cost of building such a project, only as far eastward as Regina, would be about $4.5 millions. This, it is stated, would be a minimum cost. That under present conditions, the actual oil production of the west does not justify such an outlay, few businessmen would deny.

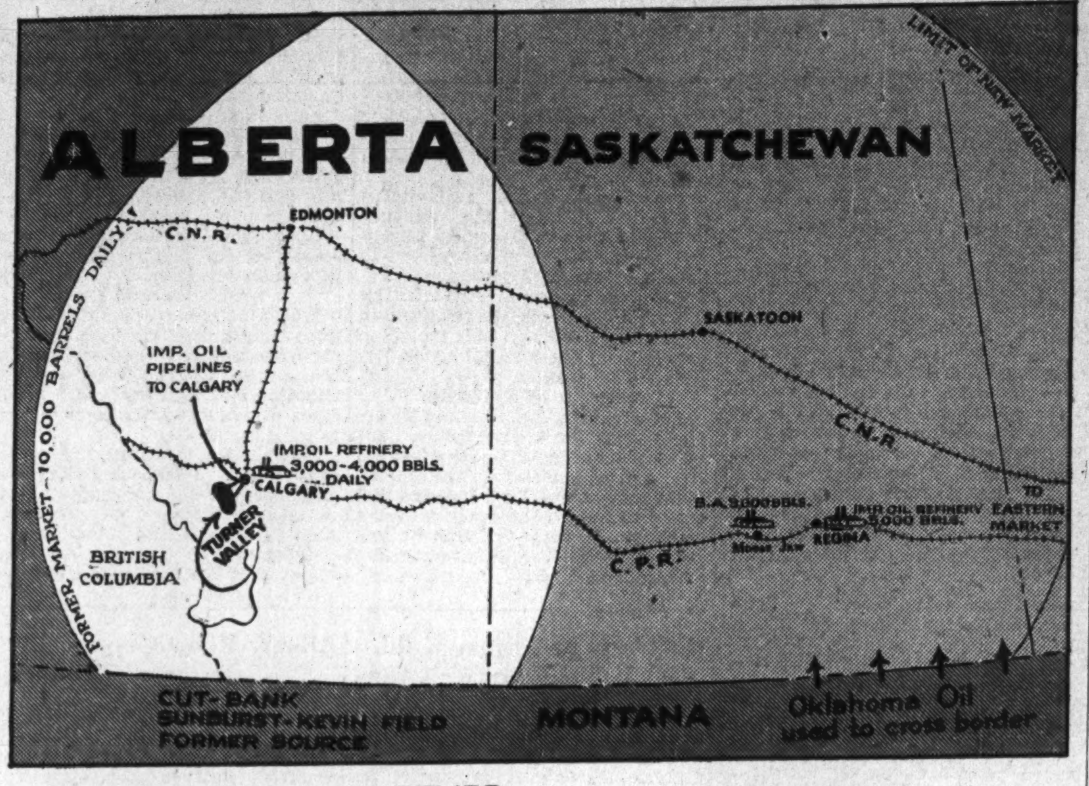
It should also be remembered that once Alberta's oil reaches the Manitoba market it comes into competition with the oil from the east, which can be shipped from Sarnia, by low cost water and rail haul routes of 55 cents per 100 pounds to Winnipeg.

Supposing that instead of going east, the pipe line were to go west? Not only would the cost of construction, according to authorities questioned by The Financial Post, be higher over the mountains, but once the oil reached Vancouver, it would come into competition with the water-hauled oil from California.

Because of the fact that the British Empire has no large oil supply at tidewater within the Empire, such a source of oil at the Pacific might be of inestimable value during war time, provided that hostilities were so located as to allow the British navy to send its boats to this point in the Pacific. It is also a fact that pipe lines as a means of carrying crude oil over long distances have proved their superiority over other transportation methods, as evidenced by the fact that the petroleum industry has now over 115,000 miles of pipe line, built at a cost of over one billion dollars.

For these reasons, such construction in Canada is no mere pipe dream but it is generally agreed that it would have to be regarded as a long term proposition, and would require greater resources of oil than Alberta, healthy as has been its growth, can produce. What might happen over the next five or ten years, only the most assertive would attempt to say.

In the meantime, it seems apparent that the problem will be attacked via the railways, which have already made an important contribution in lower freight rates. It is not thought probable that the Dominion Government will be amenable to increasing the tariff on imported oil until Alberta is in a position to supply the eastern market. Already, by gaining access to the Saskatchewan market and by at least setting foot inside Manitoba, the new industry has made very notable headway in its expansion.



ALBERTA OIL STARTS EASTWARD

With the aid of the railways, Alberta has already gone far toward enlarging the market for her newly found oil supply, and has thus eased, temporarily at least, what was rapidly becoming an acute situation. The above map shows the more important factors of the Alberta marketing situation, described in the accompanying article. It will be seen that from a former market bounded virtually by the boundaries of the province, Alberta, thanks to reduced freight rates to Regina and Moose Jaw refineries, may now market her products over to, and a little way across the Saskatchewan-Manitoba boundary. At the same time, the inflow of Montana crude, from the Cutbank and Kevin-Sunburst fields, is being shut off, as the two major distributors, Imperial and British American Oil, drop their commitments with these oil companies, and start utilizing the Canadian product. Whether or not the market limits can be moved still farther eastward, is discussed in the accompanying article.

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers

A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto 2.

St. Paul Silveradium

I am a shareholder of St. Paul Silveradium but have heard nothing about this property for some time. Should greatly appreciate any information you can give me.

—

The outlook for St. Paul Silveradium does not appear very bright. Only surface development work has been carried out on its property in Great Bear Lake district, N.W.T. Considerable additional exploration and development would be necessary before the property could be proved.

Remoteness of the holdings and the fact that no tangible results have been secured from the limited amount of work done combine to make this stock highly speculative, in our opinion.

Battleview Oils Ltd.

Being interested in the Turner Valley oil fields, I should be glad to have your views on the prospects for Battleview Oils. What is it earning?

—

Battleview Oils Ltd. is incorporated with an Ontario charter and capital of three million shares. The company has about 119 acres in the Turner Valley district, but interest in its operations centres at present on the property which it holds under lease on what is known as the Battleview structure, near Vermilion, Alta. Battleview has leased 8,000 acres on this structure from Pacalta Oils, and succeeded recently in bringing in what appears to be a potentially important well on its holdings here. This well opens the Battleview structure as a possible new source of crude oil. Pacalta receives a 2½% royalty on production from this operation.

While by their very nature all oil operations are highly speculative, and while this particular one is in the preliminary stage of its development, the company has nevertheless obtained initial encouragement in its work. It is as yet much too early to estimate Battleview's earnings possibilities. The company's directorate includes some responsible businessmen.

Rouyn Reward

Please give me your comments on the merits of Rouyn Reward.

—

Rouyn Reward recently bought outright a group of claims in the Larder Lake district of Ontario, between Martin-Bird and Mitchell Hearst. The property appears to be strategically located, but it is rather early yet to attempt to evaluate it. In the meantime the company is doing surface work on its property in the Rouyn district of Quebec, adjoining New Ribago.

New Ribago recently secured some initial encouragement from work at its holdings and this resulted in the resumption of operations by Rouyn Reward at its neighboring property. Officials report that the treasury is in good shape and that the company is amply financed to carry on work at its two operations. It is practically "starting from scratch" and the stock is accordingly speculative.

Wright-Hargreaves Mines

Please comment briefly on the picture presented by Wright-Hargreaves Mines as to productive life.

—

Wright-Hargreaves Mines Ltd., which owns the property adjoining Lake Shore in the Kirkland Lake camp, has developed its mine to a depth of 5,400 ft., ore reserves at the end of the last fiscal year, Aug. 31, 1936, amounting to 1,352,779 tons of $19.60 ore. Last year the company earned approximately 72.7 cents per share and is expected to do a little better during the fiscal year just ended.

At present it is concentrating on developing lower levels, at the same time continuing its policy of cleaning up the medium grade ore on the upper levels. This latter policy has greatly lengthened the life of Wright-Hargreaves. If results on the lower levels are comparable to those at the intermediate levels, it is assured of a long life. Market value of the stock is, of course, subject to the same factors influencing all gold shares at present.

At the end of the company's last fiscal year, Aug. 31, 1936, current assets totalled $6,099,811 against current liabilities of $1,751,442, leaving a working capital of $4,348,369. This sum should be ample to finance the company's current deep development programme.

Dominion Porcupine

I hold some shares of Dominion Porcupine Gold Mines and should like your comments on the outlook for the company.

—

Dominion Porcupine Gold Mines owns 40 acres in Tisdale twp., adjoining McIntyre Porcupine on the north, and 80 acres in Whitney twp., east of Pamour Porcupine. The company has not, as far as we are aware, issued a financial statement recently, and to date the properties have not demonstrated that they have any particular merits. However, drilling is currently being done on the Tisdale twp. group.

—

Grace-Larder Gold, in Larder Lake area, has opened in surface exploration a total length of 1,500 ft. of mineralized vein material, ranging in width from 5 to over 25 feet, reports Arthur A. Lee, consultant, in charge of exploration. The mineralized break is reported to extend across the property for 5,000 feet.

Legal & Professional Directory

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg.
TORONTO, CANADA

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

CHARTERED ACCOUNTANTS

McDONALD CURRIE & Co.
CHARTERED ACCOUNTANTS
Montreal Toronto Quebec Ottawa

STEMPEL and PATRICK
Chartered Accountants
SASKATOON and YORKTON, Sask.

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO KIRKLAND LAKE ONTARIO

MASECAR, DeROCHE & McMILLAN
CHARTERED ACCOUNTANTS
SASKATOON SASK.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees
FEDERAL BUILDING TORONTO
GALT KITCHENER

RONALD, GRIGGS & CO.
Chartered Accountants
Winnipeg Saskatoon

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

We know that you have little time to give to the proper care of your investments . . . so may we suggest that you consider our Management Service.

A CASE HISTORY

One of his bonds had been called for redemption. He was unaware of the fact and, in consequence, lost six months' interest. After this experience he brought his securities to us for management, and told us that he had figured that the amount of this one loss would have been sufficient to cover our fee for a period of six years. This points a moral, for losses of that type are not uncommon among individuals.

For as little as $20 a year, we analyze security holdings . . . make recommendations . . . hold the bonds and stock certificates . . . cut coupons and collect revenues . . . present bonds promptly when they are called for redemption . . . and attend to the "hundred and one" other details which arise.

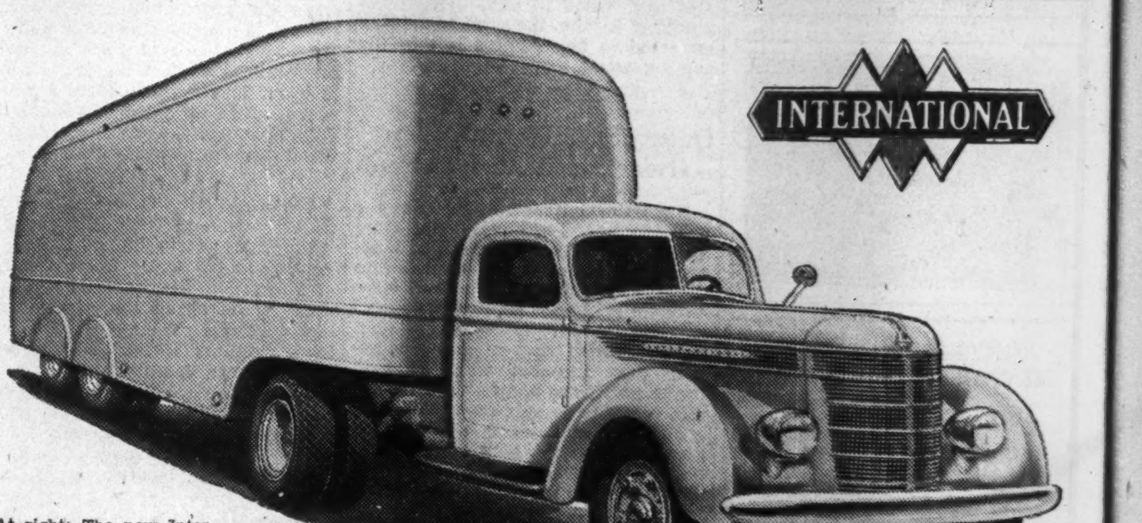
The $20 will take care of accounts up to approximately $12,000.00 in value and yielding revenues as high as $500 a year. That is our minimum fee. Our commission is 4% on revenues collected—which is a reasonable charge in view of the service rendered.

If you are interested in this time-saving, inexpensive secretarial service for your investments, write for further information.

THE ROYAL TRUST COMPANY

3718R

INTERNATIONAL



At right: The new International Model D-50 with semi-trailer and special van body.

See the NEW INTERNATIONAL TRUCKS

International Harvester offers truck users the finest value of the year, a product not only engineered to the moment, not only proved in the long process of development, but styled for public acceptance. You can accept these beautiful trucks — a completely new line, ranging in sizes from Half-Ton to powerful Six-Wheelers — either on faith, based on International Harvester's 30-year success with trucks, or on a careful study of their modern engineering. Or on both.

See the new Internationals — on display in the Company-owned branch or International Truck dealer's showroom. Whatever your own hauling needs, there is the right model and size awaiting your pleasure in the new International line. Folders describing the new Internationals sent on request.

INTERNATIONAL HARVESTER COMPANY of Canada, Ltd.
HAMILTON ONTARIO

Direct Factory Branches at: Saint John, N.B.; Hamilton, London, North Bay, Ottawa and Toronto, Ont.; Montreal and Quebec, Que.; Calgary, Edmonton and Lethbridge, Alta.; Vancouver, B.C.; Brandon and Winnipeg, Man.; North Battleford, Regina, Saskatoon and Yorkton, Sask.

INTERNATIONAL TRUCKS